

## **STATEMENT OF WORK**

Incumbent serves as an advisor and consultant to the Secretary of Transportation, providing specialized advice, outside views, and consultation on a variety of organizational and administrative management issues relating to the efficient operation of the Department of Transportation.

These services are required temporarily to meet the immediate needs of the Administration and the Department's executive leadership.

**From:** spinkerton <SPinkerton@airlines.org>  
**Sent:** Friday, May 19, 2017 10:21 AM  
**To:** Elwell, Daniel (OST) <daniel.elwell@dot.gov>  
**Cc:** Burr, Geoff (OST) <geoff.burr@dot.gov>; Britt, Michael (OST) <Michael.Britt@dot.gov>; chris.c.brown@faa.gov  
**Subject:** RE: Urgent: Fwd: Number of communities who have lost service since deregulation  
**Attach:** New Service - cust svc slides.pptx

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Dan –

Per my email to Geoff, here's my view of what started this:

At today's hearing Dorothy Robyn made the point that detractors of "reform" often play the small community service card. She stated that opponents of airline deregulation and trucking deregulation made those arguments, but their claims of harm to small communities have not been realized. So, I'm a bit skeptical about why these chicas are urgently trying to answer this question.

I assume that Alex emailed Kate or Jenny and thus the chain.

Also, I understand the question made its way to Homan's shop. I have no fear of the "data," am only interested in ensuring that when you count airports (not communities) that have lost service, you present that with the service that's been added. Our proof points on the fact that just in the last two years, net net more service added. Would love to see what, if anything, Homan comes up with, thx.

Happy to answer any questions, Sharon

**From:** Elwell, Daniel (OST) [mailto:daniel.elwell@dot.gov]  
**Sent:** Friday, May 19, 2017 9:56 AM  
**To:** Pinkerton, Sharon  
**Cc:** Burr, Geoff (OST); Britt, Michael (OST); chris.c.brown@faa.gov



**Subject:** FW: Urgent: Fwd: Number of communities who have lost service since deregulation

Sharon Helping Geoff and Chris on this. Can you share the external question that started Kate's inquiry?

Thanks,

Dan Elwell

Advisor to the Secretary

U.S. Department of Transportation

Office: W82-326

Email: [daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)

Office (FAA): (202) 267-0286

Office (DOT): (202) 366-0396

Cell: (b) (6)

**From:** Burr, Geoff (OST)

**Sent:** Wednesday, May 17, 2017 4:06 PM

**To:** Britt, Michael (OST); Elwell, Daniel (OST)

**Subject:** FW: Urgent: Fwd: Number of communities who have lost service since deregulation

I told her it was fine to contact Chris.

**From:** spinkerton

**Sent:** Wednesday, May 17, 2017 3:57 PM

**To:** Burr, Geoff (OST)

**Subject:** FW: Urgent: Fwd: Number of communities who have lost service since deregulation

Geoff –

I share this with you as I believe we have a problem with the folks at the bottom of the chain. (Jenny, Jessica, Katherine).

At today's hearing Dorothy Robyn made the point that detractors of "reform" often play the small community service card. She stated that opponents of airline deregulation and trucking deregulation made those arguments, but their claims of harm to small communities have not been realized. So, I'm a bit skeptical about why these chicas are urgently trying to answer this question.

I'd like to share this with Chris Brown - I think Katherine works for him and I trust him. Any concerns there?

**From:** Throop, Brian (FAA)  
**Sent:** Wednesday, May 17, 2017 1:18 PM  
**To:** Sypniewski, Jessica (FAA)  
**Cc:** Martin, Glen (FAA); Planty, Jeffrey (FAA); Artist, Mike C (FAA); Mello, Tony (FAA); Durkins, Natasha (FAA); Johnson, Tina (FAA); Foyle, Dave (FAA)  
**Subject:** Re: Urgent: Fwd: Number of communities who have lost service since deregulation

Dave, do you think the airlines would have this kind of data? Thx. Brian

Sent from my iPhone

On May 17, 2017, at 13:16, Sypniewski, Jessica (FAA) <[jessica.sypniewski@faa.gov](mailto:jessica.sypniewski@faa.gov)> wrote:

Any thoughts on this? APL has also been pinged.

Sent from my iPhone

Begin forwarded message:

**From:** "Howard, Katherine (FAA)" <[katherine.howard@faa.gov](mailto:katherine.howard@faa.gov)>  
**Date:** May 17, 2017 at 1:04:24 PM EDT  
**To:** "Sypniewski, Jessica (FAA)" <[jessica.sypniewski@faa.gov](mailto:jessica.sypniewski@faa.gov)>, "Solomon, Jennifer (FAA)" <[jennifer.solomon@faa.gov](mailto:jennifer.solomon@faa.gov)>  
**Subject:** Re: Number of communities who have lost service

**since deregulation**

Hi - do you think this is something we can ballpark? Like "at least this many" have lost service?

Sent from my iPhone

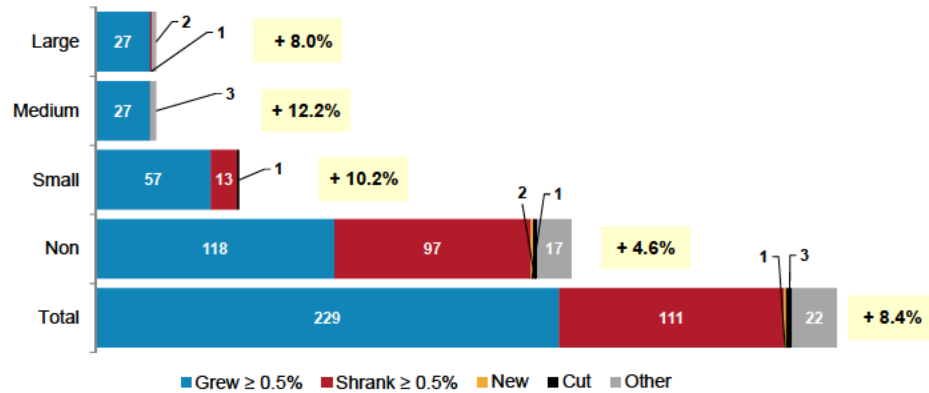
On May 17, 2017, at 12:27 PM, Howard, Katherine (FAA)  
<[katherine.howard@faa.gov](mailto:katherine.howard@faa.gov)> wrote:

Hi need this asap.

Is it possible to determine how many communities have lost air service since deregulation? If that's not possible can we pick some point in time post-deregulation and calculate a number?

**U.S. Airports of All Sizes Have Realized Air Service Gains Over Past Two Years**  
**176 Small and Non-Hub Markets Saw Seats Grow at Least Half a Percent**

**Number of U.S. Airports by Change in Scheduled Seats from 3Q15 to 3Q17 by DOT "Hub" Size**



Source: Innovata (via Diio MI) published schedules as of Mar. 10, 2017, for all airlines providing scheduled passenger service from U.S. airports to all destinations



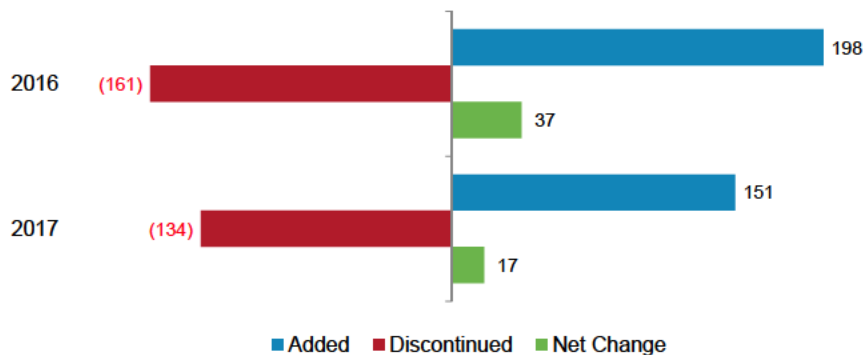
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**Airlines Added 198 New U.S.-Based Routes in 2016, Have Added 151 More in 2017**  
**Over Two Years, Flyers See Net Expansion of 54 Nonstop Routes to/from U.S. Airports**

**Year-Over-Year Change in Number of Scheduled-Service Routes to/from U.S. Airports**



Source: Innovata (via Diio MI) published schedules from March 2017 and July 2016 for all airlines providing scheduled service from U.S. airports to all destinations



Airlines for America®  
We Connect the World

2

airlines.org

**From:** ncalio airlines.org <ncalio@airlines.org>  
**Sent:** Wednesday, June 14, 2017 8:30 AM  
**To:** Britt, Michael (OST) <Michael.Britt@dot.gov>  
**Cc:** Elwell, Daniel (OST) <daniel.elwell@dot.gov>; chris.c.brown@faa.gov  
**Subject:** Re: Boston Globe: Can air traffic reform fly higher than party politics?

---

Agree. It's a good column.

Are you all being updated on our grassroots campaign and digital campaign? If not, we will make sure that you are. It is going very well... Beyond expectations.

On Jun 14, 2017, at 8:16 AM, Britt, Michael (OST) <[Michael.Britt@dot.gov](mailto:Michael.Britt@dot.gov)> wrote:

*"Here is a passage from the president's remarks at his infrastructure and aviation news conference. Focus on the actual content of the message instead of on the party of the man delivering it. Better still, suppose these words had come from a Democrat:*

*"We want to improve the efficiency of our infrastructure, particularly air traffic control. . . . The FAA's 20-year effort to modernize its air traffic control technology simply has not been able to keep pace with either the emergence of new technology or the growth and demand for air travel. And while we've made significant progress, as the horrendous I don't know how else to say it just the horrendous flight delay statistics demonstrate, we have not done nearly enough. . . .*

*"Flight delays have increased by more than 58 percent in the last 5 years; cancellations by 68 percent. In addition to widespread passenger frustration and anger, which I hear about wherever I go, these delays are costing airlines and passengers more than \$5 billion every year. Part of the problem is due to outdated technology. . . . But a more fundamental problem is also how the FAA operates."*

*Full disclosure: Those words were spoken by a Democrat 17 years ago. It was President Bill Clinton who was frustrated by the nation's "horrendous" air travel problems and the FAA's failed "20-year effort to modernize." The key differences*

*between then and now, party politics aside, is that the FAA's failure to launch has passed the 35-year mark while a superb alternative to America's air traffic control system is flourishing on our doorstep."*

## **Can air traffic reform fly higher than party politics?**

<https://www.bostonglobe.com/opinion/2017/06/13/can-air-traffic-reform-fly-higher-than-party-politics/1XD7CiaIJ45seOk4lDSwcP/story.html>

GLOBE COLUMNIST, THE BOSTON GLOBE

By Jeff Jacoby

JUNE 14, 2017

TODAY'S POLITICAL CLIMATE being what it is, anything a president proposes gets condemned out of hand by lawmakers from the other party. So of course President Trump's proposal last week for privatizing the US air traffic control system was no sooner announced than a slew of top Democrats, including Senate minority leader Charles Schumer and his House counterpart, Nancy Pelosi, proclaimed their opposition.

But just this once, could we suspend the automatic partisan resistance? Devolving air traffic control operations from the Federal Aviation Administration to a self-funded nonprofit corporation really is a worthwhile idea, one lawmakers from both parties should get behind.

Here is a passage from the president's remarks at his infrastructure and aviation news conference. Focus on the actual content of the message instead of on the party of the man delivering it. Better still, suppose these words had come from a Democrat:

"We want to improve the efficiency of our infrastructure, particularly air traffic control. . . . The FAA's 20-year effort to modernize its air traffic control technology simply has not been able to keep pace with either the emergence of

new technology or the growth and demand for air travel. And while we've made significant progress, as the horrendous I don't know how else to say it just the horrendous flight delay statistics demonstrate, we have not done nearly enough. . . .

"Flight delays have increased by more than 58 percent in the last 5 years; cancellations by 68 percent. In addition to widespread passenger frustration and anger, which I hear about wherever I go, these delays are costing airlines and passengers more than \$5 billion every year. Part of the problem is due to outdated technology. . . . But a more fundamental problem is also how the FAA operates."

Full disclosure: Those words were spoken by a Democrat 17 years ago. It was President Bill Clinton who was frustrated by the nation's "horrendous" air travel problems and the FAA's failed "20-year effort to modernize." The key differences between then and now, party politics aside, is that the FAA's failure to launch has passed the 35-year mark while a superb alternative to America's air traffic control system is flourishing on our doorstep.

The flaws with the US system have been exhaustively documented. It is technologically backward, with controllers still relying on paper strips instead of satellite-based GPS. Its funding is distorted by pork-barrel politics. The FAA struggles with staffing problem, and doesn't always have enough qualified controllers at the busiest airports. Contrary to aviation best practices, the FAA is responsible for regulating air safety and providing air traffic services an inherent conflict of interest.

Dozens of countries have adopted a far better system: a self-supporting air traffic control corporation that operates privately under government oversight.

By common consent, the nation that does it best is Canada. As Bloomberg's Adam Minter writes, America's neighbor to the north "privatized its air traffic control system in 1996 and hasn't looked back since." Under the Canadian system, which is the model for the White House proposal, the operation is funded not by politicians, but by airlines and flight operators who pay fees for services rendered. The corporation is directed by a board made up of aviation

“stakeholders” passengers, airports, pilots, airlines, and traffic controllers themselves. Unlike Canada’s system of socialized medicine, its aviation reforms are universally admired. NavCanada, the country’s air traffic control provider, has time and again been honored as the world’s finest.

NavCanada boasts state-of-the-art technology, financial stability, and market-based efficiencies that the FAA can only dream about. Even better, it has simultaneously reduced its fees and improved safety.

Certainly what is true of any legislative proposal is true of Trump’s proposed FAA overhaul: The devil is in the details. But Canada seems to have worked the details out, and the results are beyond impressive. It’s way past time America followed suit.

Michael J. Britt

Senior Advisor to the Secretary

U.S. Department of Transportation

1200 New Jersey Ave. SE

Washington, DC 20590



**From:** Stewart, Philip <Philip.Stewart@jetblue.com>  
**Sent:** Monday, April 24, 2017 3:28 PM  
**To:** Moore, Allison (OST) <A.Moore@dot.gov>; Goodell, Jeffrey <Jeffrey.Goodell@jetblue.com>  
**Cc:** Elwell, Daniel (OST) <daniel.elwell@dot.gov>; Land, Robert <Robert.Land@jetblue.com>; McInerney, Marianne (OST) <marianne.mcinerney@dot.gov>; Kopko, Matthew (OST) <matthew.kopko@dot.gov>  
**Subject:** RE: Airport Privatization help

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Hi Allison -

Just wanted to touch base. I reached out to David at Reuters yesterday for his prioritization story but he said he was out of pocket. I emailed again this morning with no response. Just checking in with you to see if you have heard anything from him.

Still happy to support on this if he's still interested in speaking with us.

Thanks,  
Philip

-----Original Message-----

From: Moore, Allison (OST) [<mailto:A.Moore@dot.gov>]  
Sent: Sunday, April 23, 2017 11:40 AM  
To: Goodell, Jeffrey  
Cc: Stewart, Philip; Elwell, Daniel (OST); Land, Robert; McInerney, Marianne (OST); Kopko, Matthew (OST)  
Subject: RE: Airport Privatization help

Hi Jeffrey - apologies for the delay. Here is the most recent version of our press release. I've been in touch with the reporter this morning and you will most likely hear from him sometime today. The story is embargoed until tomorrow morning (tbd time). Thanks so much, and please let me know if there's anything else you need.

U.S. Transportation Secretary Elaine L. Chao Announces St. Louis Lambert International Airport's Acceptance Into FAA Airport Privatization Program

Washington, D.C. - Transportation Secretary Elaine L. Chao announced today that the Federal Aviation Administration (FAA) has accepted the City of St. Louis's preliminary application for St. Louis Lambert International Airport to participate in the agency's Airport Privatization Pilot Program. Lambert is the second medium hub airport to join the program, which has slots for a total of 10 airports.

"Today's announcement to accept the St. Louis Lambert International Airport's preliminary application to participate in FAA's Airport Privatization Pilot Program demonstrates the administration's commitment to leveraging innovative financing strategies to revitalize our nation's aviation infrastructure," said Secretary Chao. "As we've already seen in San Juan, this approach to airport management increases productivity, revenue, and operating efficiency for airports, creating greater access to capital for infrastructure needs."

The airport privatization pilot program is designed to allow airports to generate access to sources of private capital for airport improvement and development. With the approval of Lambert Airport, the City may select a private

operator to manage the airport, negotiate an agreement, and submit a final application to the FAA for approval. The program allows states and municipalities to leverage long term assets to address today's infrastructure needs.

"The privatization pilot program was designed to encourage innovative financing solutions, and we're pleased that an increasing number of airport operators are participating," said FAA Administrator Michael Huerta.

White House Special Assistant to the President for Infrastructure Policy DJ Gribbin said, "We congratulate DOT for this accomplishment, and look forward to continuing our work with them to modernize our nation's infrastructure and ensure an airline system that works on behalf of all Americans."

The private operator of an air carrier airport may receive Airport Improvement Program grants and collect Passenger Facility Charges. Under the program, private operators of a medium hub airport such as Lambert are entitled to the same level of grant participation as public sponsors: 75 percent federal and 25 percent local. AIP discretionary grants for private operators are 70 percent federal and 30 percent local.

Upon being notified of the FAA's acceptance, Saint Louis Mayor Lyda Krewson said, "This is a great opportunity to explore a public private partnership for the airport. I appreciate their consideration of our application and look forward to working with the FAA throughout the process, but as always, the key is in the details."

#### Background:

##### FAA Airport Privatization Pilot Program

The airport privatization pilot program is designed to allow airports to generate access to sources of private capital for airport improvement and development. The 1996 Reauthorization Act, Title 49 United States Code §47134, authorized the Federal Aviation Administration (FAA) to establish the pilot program. The 2012 Reauthorization Act increased the number of airports that could participate in the program from five to 10. The same restrictions on participation apply. Only one large hub airport can participate in the program, and one of the airports must be a general aviation airport. Commercial service airports can only be leased and general aviation airports can be sold or leased. Most commercial service airports in the United States are owned and operated by local or state governments. Public-use general aviation airports are both publicly and privately owned.

##### St. Louis Lambert International Airport (STL)

St. Louis Lambert International Airport (STL) is a medium hub airport in St. Louis, Missouri, owned and operated by the City of St. Louis. The airport is located about 10 miles northwest of St. Louis and is the largest airport in the State of Missouri. The airport has four runways, and the dominant carriers are Delta and Southwest Airlines. Several other airlines also provide service, including American, United Airlines and regional carriers.

The City said in its preliminary application that it thought airport privatization would be good for the airport, the City, and the Metro region. Their goal is to create Public-Private Partnerships that would use innovative ideas to improve airport operating revenues with a private operator. Some of the ideas include maximizing additional parking revenue and increasing cargo revenue by utilizing additional land assets. The City anticipates that this venture would expand regional economic development and align with other multi-modal transportation projects, such as highways and rail to support airport infrastructure.

Status: The FAA accepted the City's preliminary application to participate in the program on April 21, 2017.

#### PROVEN MEDIUM HUB SUCCESS IN PRIVATIZATION PROGRAM

The FAA approved the Authority's final application for the Luís Muñoz Marín International Airport on February 25, 2013, marking the first time a medium hub airport was privatized. To date, it has made strategic investments that have improved the passenger experience. As a result, traffic is growing, the airlines know their costs and they have a good relationship with the operator. San Juan is an excellent example of the Airport operator, Airlines, the Federal government working together to improve the operation of the Airport

As of December 31, 2016, Aerostar's capital expenditures were \$176,224,426.23. These capital expenditures included the complete rehabilitation of Terminal B and C, the enhancement of the Terminal A Checkpoint, the construction of a new Central Checkpoint, the installation of a new Baggage Handling System, as well as twenty-one

(21) new Passenger Boarding Bridges. The work also included updating, repairing and replacing elevators, escalators, lighting system, landscape and signage; a new passenger display information system for all the terminals, the development of the Runway 8/26 safety area and the refurbishment of Taxiway Sierra, among others.

Aerostar's effective contract management and partnership lead to the transition of the Aircraft Rescue and Firefighting Department ("ARFF") from the Puerto Rico Ports Authority to Aerostar, for which Aerostar purchased three (3) new fire trucks making the airport safer and more reliable. The investment for these new fire trucks was of \$1,190,050.83.

-----Original Message-----

From: Goodell, Jeffrey [<mailto:Jeffrey.Goodell@jetblue.com>]

Sent: Sunday, April 23, 2017 11:35 AM

To: Moore, Allison (OST)

Cc: Stewart, Philip; Elwell, Daniel (OST); Land, Robert; McInerney, Marianne (OST); Kopko, Matthew (OST)

Subject: Re: Airport Privatization help

Allison --

I don't think we've seen the materials yet -- and as a result haven't connected with the reporter. Happy to do so today. What's the latest?

Thanks.

Jeff

-----  
Jeffrey Goodell  
Vice President  
Government and Airport Affairs  
JetBlue Airways  
(b) (6) cell  
202 715-2559 office

On Apr 21, 2017, at 8:46 PM, Moore, Allison (OST) <[A.Moore@dot.gov](mailto:A.Moore@dot.gov)<<mailto:A.Moore@dot.gov>>> wrote:

Very much appreciated!

On Apr 21, 2017, at 8:41 PM, Stewart, Philip <[Philip.Stewart@jetblue.com](mailto:Philip.Stewart@jetblue.com)<<mailto:Philip.Stewart@jetblue.com>>> wrote:

Thanks!

I'll keep an eye out for your materials then Jeff and I will be in touch with the reporter.

Philip Stewart  
Manager Corporate Communications  
JetBlue  
27-01 Queens Plaza North<x-apple-data-detectors://2/1>  
Long Island City, NY 11101<x-apple-data-detectors://2/1>  
Office: 718.709.3225<tel:718.709.3225>  
Mobil (b) (6)  
24/7<x-apple-data-detectors://3> Media Hotline: 718.709.3089<tel:718.709.3089>

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[jetblue.com](http://jetblue.com)<<http://jetblue.com>><<http://www.jetblue.com/>>

On Apr 21, 2017, at 5:49 PM, Moore, Allison (OST)  
<A.Moore@dot.gov<<mailto:A.Moore@dot.gov>><<mailto:A.Moore@dot.gov>>> wrote:

Thanks, Philip!

I believe he prefers by phone, but email would probably work as well. I will send you our press materials as soon as I have them approved.

Thanks again, and please don't hesitate to call me with any questions.

Allison

(b) (6)

-----Original Message-----

From: Stewart, Philip [<mailto:Philip.Stewart@jetblue.com>]

Sent: Friday, April 21, 2017 4:28 PM

To: Moore, Allison (OST)

Cc: Elwell, Daniel (OST); Goodell, Jeffrey; Land, Robert; McInerney, Marianne (OST); Kopko, Matthew (OST)

Subject: RE: Airport Privatization help

Hi Allison -

Yes. Feel free to share my information. It's all in my signature below. Is David planning to do interviews via email or is he hoping to speak with Jeff by phone?

Also, would it be possible to have a confidential/embargoed copy of your press materials so we can be aligned?

Thanks,  
Philip

Philip Stewart  
Manager Corporate Communications  
JetBlue  
27-01 Queens Plaza North  
Long Island City, NY 11101  
Office: 718.709.3225  
Mobil (b) (6)  
24/7 Media Hotline: 718.709.3089

To fly: Call 1-800-JETBLUE or visit [jetblue.com](http://jetblue.com)<<http://jetblue.com>><<http://jetblue.com>>

-----Original Message-----

From: Moore, Allison (OST) [<mailto:A.Moore@dot.gov>]

Sent: Friday, April 21, 2017 4:00 PM

To: Stewart, Philip

Cc: Elwell, Daniel (OST); Goodell, Jeffrey; Land, Robert; McInerney, Marianne (OST); Kopko, Matthew (OST)

Subject: RE: Airport Privatization help

Philip and Jeff,

David Shepardson from Reuters has agreed to break the news on Monday morning. He is going to be writing today and over the weekend. May I give him your contact information?

Thanks again,  
Allison

-----Original Message-----

From: Stewart, Philip [<mailto:Philip.Stewart@jetblue.com>]  
Sent: Friday, April 21, 2017 12:22 PM  
To: Moore, Allison (OST)  
Cc: Elwell, Daniel (OST); Goodell, Jeffrey; Land, Robert; McInerney, Marianne (OST); Kopko, Matthew (OST)  
Subject: Re: Airport Privatization help

Thanks, Allison.

Nice to meet you and the team. Happy to support on this. Once I take a look at your rollout strategy I'll be in touch with any questions.

Thanks,  
Philip

Philip Stewart  
Manager Corporate Communications  
JetBlue  
27-01 Queens Plaza North<x-apple-data-detectors://2/1>  
Long Island City, NY 11101<x-apple-data-detectors://2/1>  
Office: 718.709.3225<tel:718.709.3225>  
Mobil (b) (6)  
24/7<x-apple-data-detectors://3> Media Hotline: 718.709.3089<tel:718.709.3089>

To fly: Call 1-800-JETBLUE<tel:1-800-JETBLUE> or visit  
[jetblue.com](http://jetblue.com)<<http://jetblue.com>><<http://jetblue.com>><<http://www.jetblue.com/>>

On Apr 21, 2017, at 11:33 AM, Moore, Allison (OST)  
<[A.Moore@dot.gov](mailto:A.Moore@dot.gov)><<mailto:A.Moore@dot.gov>><<mailto:A.Moore@dot.gov>><<mailto:A.Moore@dot.gov>>> wrote:

Jeff and Philip,

Thanks so much for your help. I will be back in touch as soon as possible with more guidance on the rollout strategy.

Thanks again,

Allison

(b) (6)

From: Elwell, Daniel (OST)  
Sent: Friday, April 21, 2017 11:32 AM  
To: Goodell, Jeffrey; Stewart, Philip  
Cc: Land, Robert; Moore, Allison (OST); McInerney, Marianne (OST); Kopko, Matthew (OST)  
Subject: RE: Airport Privatization help

Hi Jeff and Philip,

We're wrapping up the rollout plan now. Looks like press release and commentary will happen on Monday. Allison will answer your and Philip's questions directly about coordinating logistics -- agency, reporter, etc.

Thanks,

Dan Elwell  
Advisor to the Secretary  
U.S. Department of Transportation  
Office: W82-326  
Email:  
daniel.elwell@dot.gov<<mailto:daniel.elwell@dot.gov>><<mailto:daniel.elwell@dot.gov>><<mailto:daniel.elwell@dot.gov>>  
Cell: (b) (6)

From: Goodell, Jeffrey [<mailto:Jeffrey.Goodell@jetblue.com>]  
Sent: Friday, April 21, 2017 11:17 AM  
To: Elwell, Daniel (OST)  
Cc: Land, Robert; Moore, Allison (OST); McInerney, Marianne (OST); Kopko, Matthew (OST); Stewart, Philip  
Subject: RE: Airport Privatization help

Can you provide any detail on timing and which reporter you'd like us to talk to?

And as we discussed yesterday, I can talk about our experience in SJU and the benefits of the FAA's privatization program - but I won't speak to STL specifically. (JetBlue doesn't currently serve STL.)

Jeff

Jeffrey Goodell  
Vice President Government and Airport Affairs JetBlue Airways Corporation  
1212 New York Avenue, NW  
Suite 1212  
Washington, DC 20005  
Tel: 202 715-2559  
Fax: 202 898-0946  
Cell (b) (6)

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From: Goodell, Jeffrey  
Sent: Friday, April 21, 2017 10:31 AM  
To: Elwell, Daniel (OST)  
<daniel.elwell@dot.gov<<mailto:daniel.elwell@dot.gov>><<mailto:daniel.elwell@dot.gov>><<mailto:daniel.elwell@dot.gov>>>  
Cc: Land, Robert  
<Robert.Land@jetblue.com<<mailto:Robert.Land@jetblue.com>><<mailto:Robert.Land@jetblue.com>><<mailto:Robert.Land@jetblue.com>>>  
Moore, Allison (OST)  
<A.Moore@dot.gov<<mailto:A.Moore@dot.gov>><<mailto:A.Moore@dot.gov>><<mailto:A.Moore@dot.gov>>>;  
McInerney, Marianne (OST)  
<marianne.mcinerney@dot.gov<<mailto:marianne.mcinerney@dot.gov>><<mailto:marianne.mcinerney@dot.gov>><<mailto:marianne.mcinerney@dot.gov>>>  
Kopko, Matthew (OST)  
<matthew.kopko@dot.gov<<mailto:matthew.kopko@dot.gov>><<mailto:matthew.kopko@dot.gov>><<mailto:matthew.kopko@dot.gov>>>;  
Stewart, Philip  
<Philip.Stewart@jetblue.com<<mailto:Philip.Stewart@jetblue.com>><<mailto:Philip.Stewart@jetblue.com>><<mailto:Philip.Stewart@jetblue.com>>>  
Subject: Re: Airport Privatization help

Thanks Dan. I've copied Philip Stewart from our Corp Comm team who can work it on our end.

Jeff

-----  
Jeffrey Goodell  
Vice President  
Government and Airport Affairs  
JetBlue Airways  
(b) (6) cell  
202 715-2559 office

On Apr 21, 2017, at 9:18 AM, Elwell, Daniel (OST)  
<daniel.elwell@dot.gov<mailto:daniel.elwell@dot.gov><mailto:daniel.elwell@dot.gov><mailto:daniel.elwell@dot.gov>>>  
wrote:  
Good Morning Jeff,

Assuming you are going to be the surrogate, I'm cc-ing our comms people so they have your contact information and you have theirs.

Thanks again for your willingness to help. FYSA, the WH is going to comment on this privatization application as well.

Dan Elwell  
Advisor to the Secretary  
U.S. Department of Transportation  
Office: W82-326  
Email:  
daniel.elwell@dot.gov<mailto:daniel.elwell@dot.gov><mailto:daniel.elwell@dot.gov><mailto:daniel.elwell@dot.gov>  
Cell: (b) (6)

-----Original Message-----  
From: Elwell, Daniel (OST)  
Sent: Thursday, April 20, 2017 7:10 PM  
To: Goodell, Jeffrey  
Cc: Land, Robert  
Subject: Re: Airport Privatization help

Great, thanks, Jeff.

Sent from my iPhone  
On Apr 20, 2017, at 7:06 PM, Goodell, Jeffrey  
<Jeffrey.Goodell@jetblue.com<mailto:Jeffrey.Goodell@jetblue.com><mailto:Jeffrey.Goodell@jetblue.com><mailto:Jeffrey.Goodell@jetblue.com>>>  
wrote:

Dan -- sorry for the delay! Working through the last few pieces, but I expect I'll be your guy (and am pretty open tomorrow). One of our Corp comm folks will support.

-----  
Jeffrey Goodell  
Vice President  
Government and Airport Affairs  
JetBlue Airways  
(b) (6) cell  
202 715-2559 office

On Apr 20, 2017, at 6:59 PM, Elwell, Daniel (OST)  
<daniel.elwell@dot.gov<mailto:daniel.elwell@dot.gov><mailto:daniel.elwell@dot.gov><mailto:daniel.elwell@dot.gov>>>  
wrote:

Hi Jeff,

Any luck finding a JetBlue exec we can throw to the lions, er, I mean, introduce to a nice reporter to say nice things about airport privatization? If it's you, can you tell me best contact info and time tomorrow for your availability?

Thanks so much,  
Dan

Sent from my iPhone

On Apr 20, 2017, at 12:34 PM, Goodell, Jeffrey

<Jeffrey.Goodell@jetblue.com><<mailto:Jeffrey.Goodell@jetblue.com>><<mailto:Jeffrey.Goodell@jetblue.com>><<mailto:Jeffrey.Goodell@jetblue.com>>  
wrote:

Dan and I just talked -- I got it!

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Jeffrey Goodell  
Vice President  
Government and Airport Affairs  
JetBlue Airways  
(b) (6) cell  
202 715-2559 office

On Apr 20, 2017, at 11:32 AM, Land, Robert

<Robert.Land@jetblue.com><<mailto:Robert.Land@jetblue.com>><<mailto:Robert.Land@jetblue.com>><<mailto:Robert.Land@jetblue.com>>  
wrote:

Sorry, on a plane indeed for 2 more hours

Sent from my BlackBerry 10 smartphone on the Verizon Wireless 4G LTE network.

From: Goodell, Jeffrey  
Sent: Thursday, April 20, 2017 11:53 AM  
To: Elwell, Daniel (OST); Land, Robert  
Subject: RE: Airport Privatization help

Hey Dan -

Happy to help! I believe Rob is on a plane this morning - and coincidentally I'm at an A4A Airport Affairs meeting in Dallas.

Can I call you in an hour or so? If it's urgent I can step up.

Jeff

Jeffrey Goodell  
Vice President Government and Airport Affairs JetBlue Airways Corporation  
1212 New York Avenue, NW  
Suite 1212  
Washington, DC 20005  
Tel: 202 715-2559  
Fax: 202 898-0946  
Cell (b) (6)



jetblue.com<<http://jetblue.com>><<http://jetblue.com>><<http://jetblue.com>><<http://jetblue.com>><<http://jetblue.com>>

Subject: Airport Privatization help

Cell: (b) (6)

**From:** Goodell, Jeffrey <Jeffrey.Goodell@jetblue.com>  
**Sent:** Friday, April 21, 2017 11:32 AM  
**To:** Elwell, Daniel (OST) <daniel.elwell@dot.gov>; Stewart, Philip <Philip.Stewart@jetblue.com>  
**Cc:** Land, Robert <Robert.Land@jetblue.com>; Moore, Allison (OST) <A.Moore@dot.gov>; McNerney, Marianne (OST) <marianne.mcinerney@dot.gov>; Kopko, Matthew (OST) <matthew.kopko@dot.gov>  
**Subject:** RE: Airport Privatization help

---

Great, thanks. Monday is great!

Jeffrey Goodell

Vice President Government and Airport Affairs

JetBlue Airways Corporation

1212 New York Avenue, NW

Suite 1212

Washington, DC 20005

Tel: 202 715-2559

Fax: 202 898-0946

Cell (b) (6)

To fly: Call 1-800-JETBLUE or visit [jetblue.com](http://jetblue.com)

**From:** Elwell, Daniel (OST) [mailto:daniel.elwell@dot.gov]  
**Sent:** Friday, April 21, 2017 11:32 AM  
**To:** Goodell, Jeffrey <Jeffrey.Goodell@jetblue.com>; Stewart, Philip <Philip.Stewart@jetblue.com>  
**Cc:** Land, Robert <Robert.Land@jetblue.com>; Moore, Allison (OST) <A.Moore@dot.gov>; McNerney, Marianne (OST) <marianne.mcinerney@dot.gov>; Kopko, Matthew (OST) <matthew.kopko@dot.gov>

**Subject:** RE: Airport Privatization help

Hi Jeff and Philip,

We're wrapping up the rollout plan now. Looks like press release and commentary will happen on Monday. Allison will answer your and Philip's questions directly about coordinating logistics -- agency, reporter, etc.

Thanks,

Dan Elwell

Advisor to the Secretary

U.S. Department of Transportation

Office: W82-326

Email: [daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)

Cell: (b) (6)

**From:** Goodell, Jeffrey [<mailto:Jeffrey.Goodell@jetblue.com>]

**Sent:** Friday, April 21, 2017 11:17 AM

**To:** Elwell, Daniel (OST)

**Cc:** Land, Robert; Moore, Allison (OST); McInerney, Marianne (OST); Kopko, Matthew (OST); Stewart, Philip

**Subject:** RE: Airport Privatization help

Can you provide any detail on timing and which reporter you'd like us to talk to?

And as we discussed yesterday, I can talk about our experience in SJU and the benefits of the FAA's privatization program but I won't speak to STL specifically. (JetBlue doesn't currently serve STL.)

Jeff

Jeffrey Goodell

Vice President Government and Airport Affairs

JetBlue Airways Corporation

1212 New York Avenue, NW

Suite 1212

Washington, DC 20005

Tel: 202 715-2559

Fax: 202 898-0946

Cell (b) (6)

To fly: Call 1-800-JETBLUE or visit [jetblue.com](http://jetblue.com)

**From:** Goodell, Jeffrey

**Sent:** Friday, April 21, 2017 10:31 AM

**To:** Elwell, Daniel (OST) <[daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)>

**Cc:** Land, Robert <[Robert.Land@jetblue.com](mailto:Robert.Land@jetblue.com)>; Moore, Allison (OST) <[A.Moore@dot.gov](mailto:A.Moore@dot.gov)>; McInerney, Marianne (OST) <[marianne.mcinerney@dot.gov](mailto:marianne.mcinerney@dot.gov)>; Kopko, Matthew (OST) <[matthew.kopko@dot.gov](mailto:matthew.kopko@dot.gov)>; Stewart, Philip <[Philip.Stewart@jetblue.com](mailto:Philip.Stewart@jetblue.com)>

**Subject:** Re: Airport Privatization help

Thanks Dan. I've copied Philip Stewart from our Corp Comm team who can work it on our end.

Jeff

-----  
Jeffrey Goodell

Vice President

Government and Airport Affairs

JetBlue Airways

(b) (6) cell

202 715-2559 office

On Apr 21, 2017, at 9:18 AM, Elwell, Daniel (OST) <[daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)> wrote:

Good Morning Jeff,

Assuming you are going to be the surrogate, I'm cc-ing our comms people so they have your contact information and you have theirs.

Thanks again for your willingness to help. FYSA, the WH is going to comment on this privatization application as well.

Dan Elwell  
Advisor to the Secretary  
U.S. Department of Transportation  
Office: W82-326  
Email: [daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)  
Cell: (b) (6)

-----Original Message-----

From: Elwell, Daniel (OST)  
Sent: Thursday, April 20, 2017 7:10 PM  
To: Goodell, Jeffrey  
Cc: Land, Robert  
Subject: Re: Airport Privatization help

Great, thanks, Jeff.

Sent from my iPhone

On Apr 20, 2017, at 7:06 PM, Goodell, Jeffrey  
<[Jeffrey.Goodell@jetblue.com](mailto:Jeffrey.Goodell@jetblue.com)> wrote:

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Jeffrey Goodell

Vice President

Government and Airport Affairs

JetBlue Airways

(b) (6) cell

202 715-2559 office

On Apr 20, 2017, at 6:59 PM, Elwell, Daniel (OST)  
<[daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)<<mailto:daniel.elwell@dot.gov>>> wrote:

Hi Jeff,

Any luck finding a JetBlue exec we can throw to the lions, er, I mean, introduce to a nice reporter to say nice things about airport privatization? If it's you, can you tell me best contact info and time tomorrow for your availability?

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Dan

Sent from my iPhone

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<[Jeffrey.Goodell@jetblue.com](mailto:Jeffrey.Goodell@jetblue.com)<<mailto:Jeffrey.Goodell@jetblue.com>>>  
wrote:

Dan and I just talked -- I got it!

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Jeffrey Goodell

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On Apr 20, 2017, at 11:32 AM, Land, Robert  
<[Robert.Land@jetblue.com](mailto:Robert.Land@jetblue.com)<<mailto:Robert.Land@jetblue.com>><<mailto:Robert.Land@jetblue.com>>>  
wrote:

Sorry, on a plane indeed for 2 more hours

Sent from my BlackBerry 10 smartphone on the Verizon Wireless  
4G LTE network.

From: Goodell, Jeffrey

Sent: Thursday, April 20, 2017 11:53 AM

To: Elwell, Daniel (OST); Land, Robert

Subject: RE: Airport Privatization help

Hey Dan

Happy to help! I believe Rob is on a plane this morning and coincidentally I'm at an A4A Airport Affairs meeting in Dallas.

Can I call you in an hour or so? If it's urgent I can step up.

Jeff

Jeffrey Goodell

Vice President Government and Airport Affairs JetBlue Airways

Corporation

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Tel: 202 715-2559

Fax: 202 898-0946

Cel (b) (6)



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[jetblue.com](http://jetblue.com)<<http://jetblue.com>><<http://jetblue.com>>

From: Elwell, Daniel (OST) [<mailto:daniel.elwell@dot.gov>]

Sent: Thursday, April 20, 2017 11:43 AM

To: Land, Robert

<[Robert.Land@jetblue.com](mailto:Robert.Land@jetblue.com)<<mailto:Robert.Land@jetblue.com>><<mailto:Robert.Land@jetblue.com>>>; Goodell, Jeffrey

<[Jeffrey.Goodell@jetblue.com](mailto:Jeffrey.Goodell@jetblue.com)<<mailto:Jeffrey.Goodell@jetblue.com>><<mailto:Jeffrey.Goodell@jetblue.com>>>

Subject: Airport Privatization help

Hi Rob and Jeff,

Do you have time for a quick call? I need JetBlue's help on an airport privatization issue.

Thanks,

Dan Elwell

Advisor to the Secretary

U.S. Department of Transportation

Office: W82-326

Email:

[daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)<<mailto:daniel.elwell@dot.gov>><<mailto:daniel.elwell@dot.gov>>

[ll@dot.gov](mailto:daniel.elwell@dot.gov)>

Cell: (b) (6)

**From:** Goodell, Jeffrey <Jeffrey.Goodell@jetblue.com>  
**Sent:** Thursday, April 20, 2017 11:58 AM  
**To:** Elwell, Daniel (OST) <daniel.elwell@dot.gov>  
**Subject:** RE: Airport Privatization help

---

Ok. will call you in 5.

Jeffrey Goodell

Vice President Government and Airport Affairs

JetBlue Airways Corporation

1212 New York Avenue, NW

Suite 1212

Washington, DC 20005

Tel: 202 715-2559

Fax: 202 898-0946

Cel (b) (6)

To fly: Call 1-800-JETBLUE or visit [jetblue.com](http://jetblue.com)

**From:** Elwell, Daniel (OST) [mailto:[daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)]  
**Sent:** Thursday, April 20, 2017 11:57 AM  
**To:** Goodell, Jeffrey <Jeffrey.Goodell@jetblue.com>  
**Subject:** RE: Airport Privatization help

Hi Jeff,

Thanks for the quick reply. This is a bit time sensitive and will only take 90 seconds...

Dan Elwell

Advisor to the Secretary

U.S. Department of Transportation

Office: W82-326

Email: [daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)

Cell: (b) (6)

**From:** Goodell, Jeffrey [<mailto:Jeffrey.Goodell@jetblue.com>]

**Sent:** Thursday, April 20, 2017 11:54 AM

**To:** Elwell, Daniel (OST); Land, Robert

**Subject:** RE: Airport Privatization help

Hey Dan

Happy to help! I believe Rob is on a plane this morning and coincidentally I'm at an A4A Airport Affairs meeting in Dallas.

Can I call you in an hour or so? If it's urgent I can step up.

Jeff

Jeffrey Goodell

Vice President Government and Airport Affairs

JetBlue Airways Corporation

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Suite 1212

Washington, DC 20005

Tel: 202 715-2559

Fax: 202 898-0946

Cell (b) (6)

To fly: Call 1-800-JETBLUE or visit [jetblue.com](http://jetblue.com)

**From:** Elwell, Daniel (OST) [<mailto:daniel.elwell@dot.gov>]

**Sent:** Thursday, April 20, 2017 11:43 AM

**To:** Land, Robert <[Robert.Land@jetblue.com](mailto:Robert.Land@jetblue.com)>; Goodell, Jeffrey  
<[Jeffrey.Goodell@jetblue.com](mailto:Jeffrey.Goodell@jetblue.com)>

**Subject:** Airport Privatization help

Hi Rob and Jeff,

Do you have time for a quick call? I need JetBlue's help on an airport privatization issue.

Thanks,


Dan Elwell

Advisor to the Secretary

U.S. Department of Transportation

Office: W82-326

Email: [daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)

Cell: (b) (6) 

**From:** Land, Robert <Robert.Land@jetblue.com>  
**Sent:** Thursday, June 15, 2017 7:55 PM  
**To:** Britt, Michael (OST) <Michael.Britt@dot.gov>  
**Cc:** Elwell, Daniel (OST) <daniel.elwell@dot.gov>  
**Subject:** Re: JetBlue letter to Senator Schumer

---

We are all over this, way in front, more coming

Sent from my BlackBerry 10 smartphone on the Verizon Wireless 4G LTE network.

From: Britt, Michael (OST)  
Sent: Thursday, June 15, 2017 7:26 PM  
To: Land, Robert  
Cc: Elwell, Daniel (OST)  
Subject: RE: JetBlue letter to Senator Schumer

Rob, thank you for sending and your support.

From: Land, Robert [<mailto:Robert.Land@jetblue.com>]  
Sent: Thursday, June 15, 2017 2:51 PM  
To: Britt, Michael (OST)  
Cc: Elwell, Daniel (OST)  
Subject: JetBlue letter to Senator Schumer

Sent today to Senator Schumer fyi only, rob

Robert C. Land  
Sr. Vice President for Government Affairs and  
Associate General Counsel  
JetBlue Airways Corporation  
(o) 301-279-9727  
(fx) 301-279-9728

For Reservations: 1-800-JetBlue or [jetblue.com](http://jetblue.com)



27-01 Queens Plaza North  
Long Island City, NY 11101  
[jetblue.com](http://jetblue.com)

June 15, 2017

The Honorable Charles E. Schumer  
United States Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Schumer:

On behalf of the more than 20,000 crewmembers of JetBlue Airways, New York's Hometown Airline™ and especially our 7,000 based in New York, thank you for nearly two decades of steadfast support for JetBlue and our mission to Inspire Humanity. An essential element for us to achieve our mission is to operate an on-time airline and this has become more challenging as America's air traffic control ("ATC") system falls further beyond advancements in technology.

JetBlue Airways is the largest mainline operator at JFK International Airport and has invested billions of dollars directly into the New York economy through our facilities, our crewmembers and our flights. In New York, our airport investments, extensive intra-state flying and our Long Island City Support Center drive thousands of high paying jobs across the eight Empire State markets we serve. These investments in turn help us move more than 35 million customers annually and contribute further to the economic vitality of New York City and New York State with our everyday low fares, those of competitors who match our fares, and our unique, award-winning customer service.

Given your tireless support for JetBlue from well before our first flight, you know how core customer service is to our brand. Our caring for our customers is why we provide the most legroom in coach of any US airline, provide free high speed wireless internet, up to 100 channels of free live television, free SiriusXM radio, free movies, and unlimited free snacks and beverages on all of our flights. Further, JetBlue has maintained a customer-friendly policy of never overselling our flights. Our success is driven by the ability to freely differentiate in a competitive, de-regulated marketplace, providing exceptional customer backed by an industry leading Customer Bill of Rights.

We are proud of our significant investments in all of these facets of our customer service offerings and yet, unfortunately we remain subject to an outdated, inefficient and unpredictable ATC system that causes often inexplicable, lengthy delays and cancellations for our airline and our customers. These delays ripple across our network and impact flights from across nation to and from New York. Worsening ATC delays are especially impactful to New Yorkers and our upstate cities of Buffalo, Rochester, Syracuse, Albany and Newburgh – smaller markets that are amongst the first to be cancelled or severely delayed as the ATC system restricts capacity.

The House proposed a bold solution to reform and modernize the ATC system, a solution supported by those closest to the system, including nearly every US airline, airports and the professional men and women of NATCA. NATCA realizes that the federal budget process, sequestration and government procurement and personnel rules have resulted in woeful understaffing (especially in New York) and under-investment in technology.



The House plan *would not privatize* the current safe, but very inefficient ATC system – if it would, JetBlue would oppose the plan. Rather, it would remove the ATC system from the unpredictable budget process and place it in the hands of a user-controlled board of a quasi-governmental *not for profit corporation*. The Board, on which airlines would have only a minority presence, would represent and be responsive to all of the users of the system (including the Defense Department, Congress, airports and the general aviation community). The Board would have authority to adequately borrow and immediately fund and manage the vastly overdue long term capital investments required to expedite the rollout of NextGen in the New York airspace. This new governance structure and financing capability would increase the efficiency and safety of our nation's skies and reduce delays in New York.

Last fall, JetBlue introduced low fare competition from LaGuardia to Boston, effectively ending the high fare Delta/American duopoly in the heavily travelled shuttle market. Before JetBlue launched service, the walk-up fare was \$443 one way and the lowest 14 day advance purchase fare was \$165. Today, those fares are \$202 walk up and \$77 advance purchase. While JetBlue's entry lowered fares, the time it takes to fly between New York and Boston has risen. The schedule on the Boston-LaGuardia shuttles from 1992, a quarter of a century ago, before JetBlue began and decades before smartphones with GPS navigation, had flight times of 55 minutes. Today, our flight is scheduled for 85 to 95 minutes. Why? Because our ATC system, the world's safest, has become one of the world's least efficient systems.

JetBlue's customers – New Yorkers – suffer from ATC delays. Nearly every day, the FAA imposes a traffic management initiative because its current equipment and staffing cannot handle the traffic it has agreed to accept and upon which JetBlue has relied when building schedules and hiring crews. The satellite-based technology to solve this exists, and is being implemented to our north by NavCanada. The willpower to solve exists with airlines. The professionals at NATCA want change. Unfortunately, the governance structure, bureaucracy and funding of the FAA cannot deliver the reliability, predictability and efficiency we require.

New York, both the City's economy and upstate, have the most to gain from a modernized ATC system and conversely, the most to lose by continued inaction. I am aware of your comments in relation to this reform effort. I please urge you to reconsider your views on reforming the ATC system and I would welcome meeting with you in person in the coming weeks to further discuss this important matter.

Best wishes,



Robin Hayes  
President and Chief Executive Officer

**From:** spinkerton <SPinkerton@airlines.org>  
**Sent:** Monday, March 6, 2017 10:38 AM  
**To:** Elwell, Daniel (OST) <daniel.elwell@dot.gov>; Fiorentino, Marty (OST) <marty.florentino@dot.gov>  
**Subject:** Nick to S1  
**Attach:** Airlines.pdf; ATT00001.htm; Industry Regulatory Comparisons.pptx; ATT00002.htm

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Dan

I've heard you are looking for examples of rules that concern us, wanted to make sure you had this memo that also contains unnecessary reporting requirements.

So that you know, I've formed a carrier Reg Reform working group and Am working on a more comprehensive document that will put these regs in context and explain why they are a drag on carrier ability to drive jobs and economic growth. Will also contain suggestions on much need Process reforms to ensure we have the right framework for the future.

## **PURPOSE**

The purpose of this memo is to provide an overview of the U.S. airline industry's jobs and economic impact, policy and legislative priorities, regulatory challenges, tax burden including the passenger facility charge (PFC) and unnecessary reporting requirements.

## **JOBS AND ECONOMIC IMPACT**

The U.S. airline industry is an integral part of the U.S. economy. In 2014, according to the FAA, economic activity in the U.S. attributed to commercial aviation-related goods and services totaled \$1.54 trillion, generating 10.2 million jobs with \$427 billion in earnings. Airlines work closely with DOT and FAA and are currently experiencing the safest period in aviation history, providing a gold standard for the global community.

Consumers are also benefiting, adjusted for inflation, domestic travel costs more than 40 percent less than it did in 1980. The industry numbers show the sheer size and scope of U.S. airline activity is extraordinary, although often overlooked. U.S. airlines:

- On a daily basis fly more than 2 million passengers and close to 50,000 tons of cargo on approximately 27,000 flights serving approximately 800 airports in 80 countries;
- Employ almost 700,00 workers (as of December 2016);
- Raised average wages and benefits more than 29 percent (passenger airlines) during the 2010-2015 period, more than double the growth rate of the overall U.S. private sector (13 percent).
- Full time equivalent employee numbers rose 8.6 percent from 2010-2016 (410.7K) with data showing that U.S. airline workers enjoy wages 38 percent higher than private sector average; and
- Collectively invest, through capital expenditures, at a rate of \$1.4 billion per month.
- Over \$100 billion of capital projects have been completed, are underway or approved at the nation's 30 largest airports alone since 2008.

Airlines can contribute even more to our economy through increased investment (planes, technology) and more high paying jobs -- all to the benefit of employees and customers if the government would let us operate like other businesses.

## **ATC REFORM**

The U.S. has the safest airspace in the world, but it is not the most efficient. Unnecessary travel delays cost the U.S. economy/passengers approximately \$25 billion annually. These delays are in large part the result of system-wide air traffic control (ATC) inefficiencies resulting from the use of outdated, WWII-era radar technology. For example, flights between Washington, D.C. and New York used to take 55 minutes, but to account for air traffic delays, these flights are now scheduled to take 80 minutes. As a vital part of U.S. economic infrastructure, our airspace is the equivalent of driving on a gravel road.

Our ATC funding and governance system is broken beyond repair within the constraints of government. Funding for ATC is repeatedly subject to stops and starts from government-wide budget restrictions and shutdowns, compromising safety advancements, efficiency and modernization.

The DOT Inspector General and the GAO have issued repeated reports about the lack of progress modernizing our ATC system. For example, the multi-billion dollar En Route Automation System (high altitude air traffic control) has experienced delays of nearly 4 years and cost growth of over \$400 million.

ATC reform has been proven to work all over the world. More than 40 countries already have evolved their ATC systems by separating ATC operations from the safety regulator. Countries that have already modernized their systems like the UK, Germany and Canada have proven that we can better invest our resources, improve the economy, achieve efficiencies and utilize the power of private sector financing all while improving safety for the benefit of passengers and all users of the aviation system. Canada in particular is far outpacing the technological capabilities of the U.S. and has become a world leader in the ATC sector where the U.S. previously held dominance for decades. NavCanada along with several European air navigation service providers are implementing one of the most significant advancements for aviation safety and navigation (satellite based Automatic Dependent Surveillance-Broadcast). This transformative technology is a step-change over radar based technologies and provides air traffic controllers a precise satellite-based surveillance system on an aircraft's location, airspeed and other data. The mystery of Malaysia flight 370 could have been avoided with this technology. Beginning in 2018, air traffic controllers – in other nations – will use “satellite-based” ADS-B to control aircraft over the oceans.

ATC reform will also have a positive impact on aviation safety. In fact, in a report done on behalf of the FAA by the MITRE Corporation they analyzed the safety impact of separating the air traffic provider from the civil aviation authority (CAA) safety regulator and reported –

- “The collective experience after separating the ANSP provider from its CAA is quite good. The primary responsibility of a CAA is safety regulation. Despite many approaches to organizing the CAA and the ANSP, in each case the safety record of the ANSP was equal to, or better than, the record prior to the separation...”

This Administration has the opportunity to restore America's role as a leader in ATC technology and innovation while helping passengers and air service providers who have been forced to accept inefficiencies and delays. Transforming our ATC system would be the single largest aviation public policy advancement since deregulation in 1978.

## **TAX BURDEN**

The U.S. aviation industry, and most importantly its customers, are subject to 17 unique federal aviation taxes in addition to standard corporate taxation. In FY2016, special U.S. aviation taxes totaled approximately \$23.1 billion, or more than \$63 million per day. Federal excise taxes on domestic air travel are higher than ‘sin taxes’ levied on tobacco and alcohol which are often imposed to diminish use of the product. For example, a \$300 one-stop domestic roundtrip ticket includes federal taxes of 21 percent (\$63). The industry has steadfastly opposed the imposition of any new taxes or fees, including the PFC.

## **PASSENGER FACILITY CHARGE (PFC)**

The airport community tries to conflate the highway funding crisis with airport infrastructure funding despite the clear differences and opposite funding realities. The fact of the matter is that there is absolutely no funding crisis regarding airport infrastructure. There's no need to increase taxes when there is \$6 billion (\$7 billion by the end of FY17) of unobligated funding in the FAA Trust Fund. This should not be construed to mean that air carriers oppose infrastructure investment, quite the opposite, airlines and airports negotiate infrastructure deals every day through use and lease agreements. For example –

- Over \$100 billion of capital projects have been completed, are underway or approved at the nation's 30 largest airports alone since 2008. These include, for example, new runways at Fort Lauderdale, Washington (Dulles), Seattle, and Charlotte, multiple new runways at Chicago (ORD), new international facilities at Atlanta and Los Angeles, and new, expanded or

modernized terminals at Miami, Las Vegas, Orlando, Hawaii, Houston, Denver, Seattle, Salt Lake City and San Francisco.

- Development is also robust at smaller airports, including, for example, runway projects at Erie, Columbus, Dayton, Des Moines, Nashville and Sioux Falls and terminal projects at New Orleans, Eugene, Grand Rapids, Greenville-Spartanburg, Norfolk, Portland (Maine), Reno-Tahoe and Wichita.

At the same time, airports are collecting record levels of revenues and are well positioned to fund necessary capital projects. U.S. airports collected nearly \$27 billion in 2015 including:

- a record high \$10.7 billion in airline rents and fees;
- a record high \$9.1 billion in non-airline revenues (e.g., terminal food and beverage, retail and duty free; rental cars; parking and ground transportation; and hotels);
- nearly \$3.4 billion from the FAA's Airport Improvement Program (AIP);
- \$3.0 billion from Passenger Facility Charges (PFCs); and
- Interest/Other Income of \$539 million.

Airport revenues also far outpace inflation and operations. From 2000 to 2015, U.S. airport revenues on a per passenger basis grew 44 percent, exceeding inflation (by contrast, the U.S. Consumer Price Index rose 38 percent), while passenger and cargo airline departures declined 15 percent.

Airports have plenty of available cash - according to their own financial reports filed with FAA, U.S. airports ended 2015 with almost \$12.7 billion of unrestricted cash and investments on hand which is the equivalent of about 362 days of liquidity.

Airports also have access to capital markets at preferred rates - all U.S. airports rated by Standard & Poor's enjoy investment-grade credit ratings, which ensure ample access to the bond market to fund necessary airport capital projects (by contrast, only one U.S. passenger airline has investment-grade credit). Those capital markets are viable and bonds remain the primary funding source for airport capital projects and to our knowledge, no airport has been prevented from obtaining bond funding.

The Airport and Airway Trust Fund (AATF) is also stable with an uncommitted balance of nearly \$6 billion which is the highest level since 2001. CBO forecasts the uncommitted balance will be \$7 billion by the end of FY17. Funding for airport projects of all sizes is secure.

At a time when federal, state and local governments are promoting trade and tourism to bolster economic recovery, raising the \$4.50 PFC cap would instead discourage air travel and air service growth. Even a \$1 increase in the PFC cap would cost airline passengers an additional \$800 million annually.

Air travelers are price sensitive and even the smallest increase in airline ticket costs has a negative impact on travel decisions. In December 2014 the GAO found that increasing the PFC cap would slow passenger growth and reduce revenues in the Airport and Airway Trust Fund. This implies that further increases in government-imposed taxes and fees would lower airline revenue, dampen demand for air travel, and reduce U.S. economic activity.

## **REGULATORY OVERREACH**

Federal regulations impose a massive cumulative burden on the U.S. airline industry that makes air travel more expensive for consumers. The regulatory tentacles of four cabinet-level departments and six federal

agencies touch nearly every aspect of an airline's operations, making the supposedly deregulated industry one of the most regulated sectors of the U.S. economy, often to the detriment of the flying public. In fact, in January 2016, a study by the Mercatus Center at George Mason University ranked "Scheduled Air Transportation" as the sixth-most federally regulated out of 107 U.S. industries.

U.S. airlines are an indispensable driver of our economy, but they are doing so in an environment in which the DOT has increasingly intervened over the last eight years with economic regulation of its own designed to shape the contours of the market, rather than relying on market forces and the inventiveness of the marketplace. This is demonstrated by the Obama Administration's midnight supplemental NPRM (Notice for Proposed Rule Making) micromanaging airline product distribution three days before the inauguration. Airlines understand the need for a strong safety regulatory regime. However, when dealing with customer service and economic regulations, the government needs to be data driven, transparent and limited to exercising their authority only to prevent unfair and deceptive practices.

### **Needed Action on Specific DOT Economic Regulations:**

**Repeal the Full Fare Advertising Rule.** This regulation treats airfare differently than virtually all other consumer products, which are advertised by their base price. Consumers know that when they purchase a good or service that taxes and mandatory fees will be included in the total price. It does not enhance fare transparency. In fact, this rule inhibits transparency because it hides the federal taxes and fees consumers pay when purchasing a ticket. This rule, adopted in 2011, should be repealed.

**Repeal SNPRM for Mandatory Display of Optional Services in All Outlets.** DOT has issued a Supplemental Notice of Proposed Rulemaking that would require airlines to display certain optional services through every distribution outlet they use to sell tickets. This rule would abrogate the accepted principle that companies have the right to choose how they distribute their products and with whom they will do business to distribute them. It is the equivalent of a law requiring Apple to sell all of its products at Radio Shack because it allows Radio Shack to sell their earphones. (DOT) SNPRM – Optional Services (Nov. 16, 2016.)

**Withdraw Request for Information on Industry Practices on Distribution and Display of Airline Fare, Schedule, and Availability Information.** DOT is investigating whether the ordinary business practice of choosing one's distribution partners and outlets, found throughout all other U.S. industries, constitutes an unfair or deceptive practice. This is a prime example of DOT stretching its limited consumer protection authority. DOT is ignoring long standing policy that recognizes airlines, like all other businesses, have the right to choose with whom they do business. The Request for Information is a prime example of DOT substituting its judgment for market forces based on an expansive and unsupported reading of its limited consumer protection authority.

**Repeal Specific Provisions of Passenger Protection Rule 3.** Specifically, we request the repeal of the very detailed provisions of how and when a carrier must disclose when a codeshare partner is operating a flight. We support the Congressional requirement that carriers disclose codeshares. We do not support DOT's micromanagement with respect to font size and location of disclosure. (DOT) Final Rule – Enhancing Passenger Protections III, 81 Fed. Reg. 26800 (Nov. 3, 2016)

**Withdraw Proposed Rule Regulating Use of Cell Phones.** Carriers are working with employees and passengers to evaluate the appropriate use of cell phones. DOT should limit the use of its authority to safety and unfair and deceptive practices, which are not raised in this context. Congress is also debating cell phone use on flights, and it makes sense that DOT would defer action until Congress acts.

## **UNNECESSARY REPORTING REQUIREMENTS**

In addition to DOT's overly burdensome economic regulation air carriers are also disproportionately required to report an unnecessary amount of information to the federal government compared to other modes of transportation including passenger rail and bus. *(Please See Attached Slide Deck)*

It would be a worth-while exercise to have DOT conduct a fair and comprehensive review of all the data reporting requirements applied to the airline industry in an effort to determine a finite list of useful data points. In far too many instances DOT's reporting requirements are useless, unnecessary, contain what should be considered proprietary information, not applied to other modes, and/or take far more man power than is justified for the data point. In some instances these requirements are decades old and could use a fresh review.

Ideally, in collaboration with industry economic experts, an analysis would need to be done to determine what is necessary, can be streamlined or reformed, statutorily mandated, at DOT's discretion, and a strategy to deal with each unique requirement. Below is a small sample list of some examples, by no means exhaustive, that should be reviewed.

### **Examples of Unnecessary DOT Reporting Requirements:**

**Reporting of Complaint Rates.** This data goes back to 1990 and the annual rate has never exceeded 3 complaints per 100,000 passengers. In fact, the data has been under 2 complaints per 100,000 passengers in every single year since 2001. The data is routinely misinterpreted by media and policymakers as an indicator of customer satisfaction. It also ignores duplicative work done outside the federal government by the American Customer Satisfaction Index, JD Power, and A4A Air Travel Surveys (conducted by Ipsos) that indicate high levels of customer satisfaction. The federal government does not require providers of bus, rail, or ocean-going transportation to report complaint rates.

**Requirement to Report Detailed Data on Tarmac Delays.** Lengthy tarmac delays are infrequent and often the result of ATC problems, so reporting them misleads the public as to the root cause of the delay. The federal government does not require providers of bus, rail, or ocean-going transportation to report on-time performance at all, let alone extended delays.

**Requirement to Report Mishandled Baggage.** The 2016 rate was only 2.70 mishandled bag reports per every 1,000 passengers, meaning that 99.73% of passengers had their bags handled properly over the course of the year – the best ever recorded. The federal government does not require providers of bus, rail, or ocean-going transportation to report any type of baggage handling statistics.

**Requirement to Report Incidents Involving the Loss, Injury or Death of Animals.** These monthly reports are of little to no value and are not required by DOT of other modes of transportation – in all of 2016, reporting airlines transported 523,743 animals, for which there were only 48 incidents (26 deaths, 22 injuries), or a remarkably low 0.92 incidents per 10,000 animals transported. The annual report is required even if a carrier had no reportable incidents during the year.

## **CONCLUSION**

The aviation industry connects the world. You have an historic opportunity to make air travel better by reforming our outdated air traffic control system and reforming an outdated regulatory regime. We look forward to working with you.

## In the United States, Airline Marketing and Customer Service Are Subject to a Greater Degree and Scope of Government Regulation than Other Key Service Industries

|   | Description of federal requirement (or absence thereof)  |
|---|--|
| <b>Service Delivery Reporting</b>       | Reporting (to the federal government) of various customer service quality metrics, such as on-time performance, trip completion, mishandled baggage, overbooking rates, complaint rates  |
| <b>Full-Fare Advertising</b>            | Requirement to display the price of the product/service to the customer up front inclusive of all federally imposed or approved (e.g., passenger facility charge) taxes and fees   |
| <b>Ancillary Revenue Reporting</b>      | Reporting of revenue generated from various products/services other than the transportation of the customer himself (e.g., food and beverage, entertainment, WiFi)   |
| <b>24-Hour Purchase Refundability</b>   | Requirement to either 1) hold booking for 24 hours without taking payment or 2) refund (fully) the amount paid by the customer if booking canceled within 24 hours   |
| <b>Detailed Reporting of Demand</b>     | Monthly/quarterly reporting of traffic carried, capacity operated/offered, revenue   |
| <b>Detailed Reporting of Costs</b>      | Quarterly reporting of expenses by region (e.g., Domestic, Atlantic, Latin, Pacific), by vehicle (e.g., aircraft) type, etc.   |
| <b>Reporting of Average Prices Paid</b> | Quarterly reporting of coupons, itineraries (origin, connecting points, destination) revenue, average fare, etc. by city pair (origin-destination)   |
| <b>Operational Contingency Plans</b>    | DOT (14 CFR Part 259) requires airlines to adopt Contingency Plans for Lengthy Tarmac Delays for its scheduled and public charter flights. FAA Modernization and Reform Act of 2012 requires airlines to submit to DOT for review and approval Contingency Plans for Lengthy Tarmac Delays. Airlines are required to coordinate their Contingency Plans for Lengthy Tarmac Delays with (1) all small hub, medium hub, large hub and non-hub U.S. airports served by the airline, and regular U.S. diversion airports; and (2) CBP and TSA such airports. |



**Sent:** Mon 3/6/2017 10:37:36 AM  
**Importance:** Normal  
**Subject:** Nick to S1  
**MAIL\_RECEIVED:** Mon 3/6/2017 10:38:22 AM

In the United States, Airline Marketing and Customer Service Are Subject to a Greater Degree and Scope of Government Regulation than Other Key Service Industries

Description of federal requirement (or absence thereof)

Service Delivery Reporting

Reporting (to the federal government) of various customer service quality metrics, such as on-time performance, trip completion, mishandled baggage, overbooking rates, complaint rates

Full-Fare Advertising

Requirement to display the price of the product/service to the customer up front inclusive of all federally imposed or approved (e.g., passenger facility charge) taxes and fees

Ancillary Revenue Reporting

Reporting of revenue generated from various products/services other than the transportation of the customer himself (e.g., food and beverage, entertainment, WiFi)

24-Hour Purchase Refundability

Requirement to either 1) hold booking for 24 hours without taking payment or 2) refund (fully) the amount paid by the customer if booking canceled within 24 hours

Detailed Reporting of Demand

Monthly/quarterly reporting of traffic carried, capacity operated/offered, revenue

Detailed Reporting of Costs

Quarterly reporting of expenses by region (e.g., Domestic, Atlantic, Latin, Pacific), by vehicle (e.g., aircraft) type, etc.

Reporting of Average Prices Paid

Quarterly reporting of coupons, itineraries (origin, connecting points, destination) revenue, average fare, etc. by city pair (origin-destination)

Operational Contingency Plans

DOT (14 CFR Part 259) requires airlines to adopt Contingency Plans for Lengthy Tarmac Delays for its scheduled and public charter flights. FAA Modernization and Reform Act of 2012 requires airlines to submit to DOT for review and approval Contingency Plans for Lengthy Tarmac Delays. Airlines are required to coordinate their Contingency Plans for Lengthy Tarmac Delays with (1) all small hub, medium hub, large hub and non-hub U.S. airports served by the airline, and regular U.S. diversion airports; and (2) CBP and TSA such airports.

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In the United States, Airline Marketing and Customer Service Are Subject to a Greater Degree and Scope of Government Regulation than Other Key Service Industries

Airlines

Hotels

Rental Cars

Cruises

Amtrak

Buses

Cable

Telecom

Service Delivery Reporting

No

No

No

No

No

No

No  
Full-Fare Advertising (incl. taxes)

No  
No  
No  
No  
No  
No  
No

Ancillary Revenue Reporting

No  
No  
No  
No  
No  
No  
No

24-Hour Purchase Refundability

No  
No  
No  
No  
No  
No  
No

Detailed Reporting of Demand

No  
No

No  
No  
No  
No

Detailed Reporting of Costs

No  
No  
No  
No

琉  
琉  
Reporting of Average Prices Paid

No  
No  
No  
No  
No

琉  
Operational Contingency Plans

琉  
No

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Comparison of Federal Reporting / Disclosure Requirements Across Modes  
Asymmetry of Information for Consumers, Planners, Regulators and Operators  
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Number of Operations

X  
X

(1)

Seats and Miles Supplied

X  
X

(1)

Passengers and Miles Traveled

X  
X

(1)

Fare Paid

X  
X

(2)

Cancellations/Diversions/Delays

X  
X

(3)

Complaints to U.S. Government

X  
X

(3)

Other

X  
X

(4)

Monthly by route segment

Quarterly by origin-destination airport pair

Monthly by flight and category of causation

Quarterly revenue (by region), expense (by region and aircraft type) and balance sheet data;  
quarterly oversales; monthly freight/mail/animals/mishandled baggage

**From:** spinkerton <SPinkerton@airlines.org>  
**Sent:** Thursday, March 16, 2017 8:12 AM  
**To:** spinkerton <spinkerton@airlines.org>  
**Subject:** Consumers Want ATC Reform

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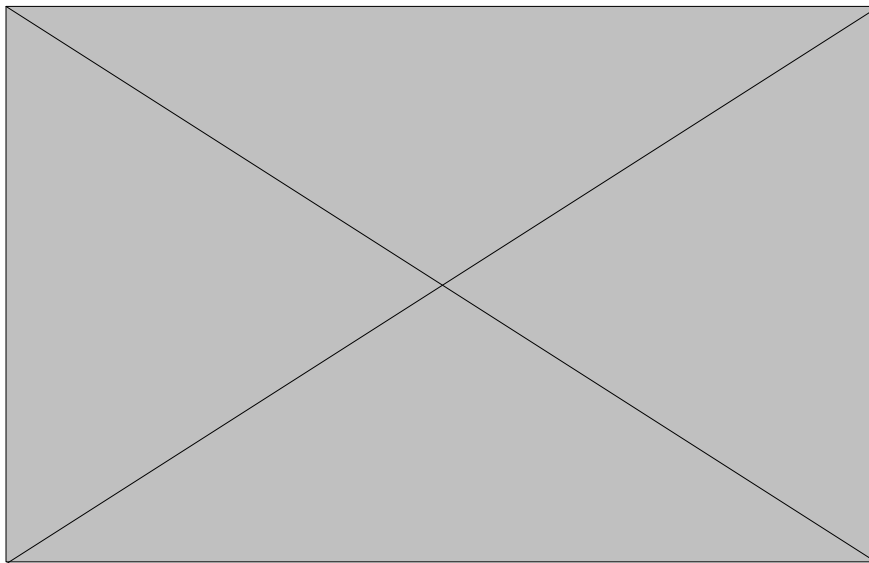
## Air Traffic Control — America's biggest infrastructure project

March 16, 2017 Filed Under: [Travel policy](#) By [Charlie Leocha](#)

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**It is time to let the flying public in on changes needed for our air traffic control system.**

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Our nation's current air traffic control (ATC) system is operating on technology from the 1960s. Aging radars still slowly sweep to determine the location of aircraft. Controllers use scraps of paper to keep track of planes. And, aircraft radios still use old-fashion knobs and dials.

The country is spending far more than necessary for fuel because of the age-old way planes are routed across the country. In some cases, they fly, zig-zagging along corridors that were created when bonfires were lit to let pilots see the next destination on a cross-country journey. Only a few years ago the air traffic controllers were sourcing vacuum tubes from the Czech Republic because no company in the USA manufactured them.

In a recent book, *Pinpoint* by Greg Milner, the author quotes Charlie Trimble, one of the pioneers of Global Positioning System (GPS), “The FAA fulfills its mission by wrapping policies and procedures around obsolete technologies.”

It is time to enter the 21st Century. Enough with the obsolete.

- This giant air traffic control infrastructure project will:
- Save millions of gallons of jet fuel
- Help the environment with dramatic reductions in CO2 emissions
- Save time on every flight through direct routing
- Eliminate in-flight air traffic jams
- Change pilot awareness by showing surrounding aircraft
- Improve efficiency of airports by allowing up to 30 percent more take-offs and landings
- Save millions of dollars in contracting costs through continuous funding.

The new air traffic control system will benefit everyone. The Trump administration’s business approach with proposed long-term funding rather than the FAA’s bureaucratic instincts should help modernize our air traffic control infrastructure. After wasting \$7.5 billion of consumer tax revenues keeping the old radar-and-paper-strip systems working over the past decade, it is time to get the job done properly.

Let’s make technology that the American public takes for granted and holds in its hands, in cell phones and GPS systems, available to our pilots and air traffic controllers. Airlines and the FAA need to begin educating travelers about the tangible benefits to modernizing the ATC system. The USA, once at the forefront of technology, is falling behind other nations when it comes to airspace management.

### **The problem is not money, but focus on getting the job done**

Surprisingly, the problem with the implementation of NextGen, the term the FAA applies to their program to modernize the ATC, is not money. Congress has actually been generous with funding. Plus, this is a bipartisan issue — both Democrats and Republicans have ponied up billions of dollars to upgrade the system.

The drifting FAA bureaucracy, unlike the legendary NASA focus on innovation, is hindered further by a funding system that subjects our air traffic finances to the whims of Congressional bickering and an uncertain budgetary process. No long-term project can be completed without long-term funding.

The Trump administration recognizes the importance of this infrastructure project and the need for a steady, predictable funding stream. This is the kind of project that will have a major impact on the nation's economy, which depends on aviation for everything from just-in-time inventories to travel and tourism.

**It is time to speak to the taxpayers**

The ATC project is the largest national infrastructure project since the development of the Interstate Highway System; its economic impact can be just as, if not more, significant. Travelers United believes that now is the time to allow this proven technology to be deployed to benefit the American public, whether they fly or not.

Sharon L. Pinkerton

SVP Legislative & Regulatory Policy

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**From:** spinkerton <SPinkerton@airlines.org>  
**Sent:** Thursday, February 23, 2017 1:02 PM  
**To:** spinkerton <spinkerton@airlines.org>  
**Subject:** Poole on ATC Reform

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<http://reason.org/news/show/air-traffic-control-newsletter-140>

### Is There Really an ATC Problem to Solve?

Last month Sen. Jim Inhofe (R, OK) was appointed to the Commerce Committee, which has jurisdiction over aviation policy in the Senate. According to *Politico*, when asked about ATC reform, Inhofe said he doesn't think the current system is so bad. "Before you get a solution, there has to be a problem," he said. "I don't want to try to jump in there and just revamp a system that is working pretty well right now." Sen. Inhofe is a GA pilot, and I imagine he gets pretty good service in the mostly uncongested airspace in which he flies. But as this newsletter has been reporting for more than 15 years, our ATC system is beset by numerous problems of governance, funding, and organizational dysfunction. It's the last of these that I'd like to focus on here.

During the presidential transition effort last fall, I obtained a document called "Reforming FAA Acquisitions." It took an outside look at NextGen and FAA's "reformed" Acquisition Management System. Here is one excerpt from this assessment:

"Compounding the problem of fielding NextGen and other major ATC upgrades is an ineffective procurement system known as AMS . . . . Mandated by Congress in the late 1990s, the AMS was designed to give the agency greater flexibility in acquiring products and services so that it could more quickly meet the growing demand for air travel. Unfortunately, the exact opposite happened as FAA tried to build procurement rules from scratch.

"As a result, rather than being able to field its inventory more efficiently and at lower cost, AMS became a bureaucratic quagmire. To award a contract, FAA has codified many lengthy steps—each involving complex procedures and large numbers of federal and vendor employees who must develop customized materials for each step in the process. It is no accident that every modernization program is 'developmental,' and that workable, less-expensive, and commercial off-the-shelf (COTS) solutions do not fit the AMS model. Virtually all [ATC] equipment is now available in the marketplace and could be purchased accordingly. FAA has never accepted a COTS solution, perhaps due to the fact that they would need to reduce the number of acquisition employees. Accordingly, FAA churns out detailed contract specifications that in some cases have thousands of requirements, the majority of which have little to do with evaluating the equipment or services in the tender. Companies spend years and millions of dollars trying to meet these specifications and conducting the endless testing associated with them to successfully deliver a system."

Lest you think that's hyperbole, about a month later I heard—unbidden—from an acquaintance whom I only know via email. He's a systems engineer with more than two decades of experience at FAA. He emailed me after the election, and mentioned that "this place seems dysfunctional in many ways." When I asked for elaboration, his long reply included the following:

"Most of the folks I regard as 'thinkers' believe our acquisition system is broken. There is some move afoot to 'tailor' the process . . . but it's too early to see if that will make a difference. Meanwhile, they continue to define new JRC artifacts that must be developed to get through the process, each artifact coming with a list of reviewers and approvers, any of whom can slow things down by 'adding their value' via additional comments and exit criteria.

"And all this occurs in an organization that is both too broad and too deep, so much of the energy and funding intended to get work done is expended bouncing around in the approval process matrix for years. Each acquisition process stage—Concept & Requirements Definition, Investment Analysis and Requirements Definition, Initial Investment Decision, and Final Investment Decision—can take a year or more. Even though the process is theoretically 'tailorable,' it is difficult to get tailoring approved, because so many entities are able to non-concur. When one's *raison d'être* is the execution of an acquisition hoop, one is loathe to say that hoop is unnecessary."

I've summarized numerous GAO and DOT Inspector General reports over the years, but the auditors who write those reports have learned to write in gentle, tweak-the-process terms. These two experienced observers are making the same points, but in far more direct language.

So yes, Sen. Inhofe, there are major problems with the FAA's Air Traffic Organization as currently constituted. We can do far, far better than this status quo.

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### **Time for Dialog on ATC Reform**

There is an overwhelming case that the funding, governance, and organization culture of the FAA's Air Traffic Organization prevent its talented people from delivering better technology and procedures for users of the National Airspace System. Those users include not only airlines but also general aviation, business aviation, and the military. And other stakeholders include the ATC system's employees and the airports that are an integral part of the NAS.

So I was pleased to see House Aviation Subcommittee chairman Frank LoBiondo tell *Politico* (Feb. 7<sup>th</sup>) that "We are in full listening mode. There have been a huge number of meetings with stakeholders [and] they will continue." While I am not privy to discussions that may have occurred behind closed doors, in coming months I will be making suggestions for a more inclusive stakeholder board for the ATC corporation that that the Air Traffic Organization should be converted to.

Along these lines, last week I read an encouraging piece in *Flying* magazine. The CEO of a transportation logistics software startup in Seattle told the GA magazine that general aviation needs to join the ATC "privatization" discussion. Roei Ganzarski is CEO of BoldIQ. He said that this reform "would lower costs, boost efficiency, and usher in new technologies that are impossible to implement quickly under the current NextGen modernization program." He went on to say: "ATC in this country is antiquated. The president is exactly right; by the time NextGen technologies are implemented, they're already outdated. [Reform] could solve all of this by enabling ATC to advance at the same rate as the technology aboard aircraft has."

*Flying* quotes Ganzarski further as saying, "It's time [for GA] to stop fighting to block privatization and focus instead on ensuring this segment of the industry has a place at the table. For [the reform] to work, we need equal representation from all parties, including the airlines, general aviation, and even the military. No one group should be able to dominate the conversation about the future of ATC modernization."

BoldIQ develops software for both aviation and surface transportation companies. A major customer is Jeppesen, a Boeing subsidiary. Earlier in his career Ganzarski was chief customer officer for Boeing's Flight Services division in Seattle.

In response to NBAA President Ed Bolen's all-out opposition to ATC reform, claiming that any ATC corporation would be controlled by an airline-centric board, Ganzarski says that could only happen if the rest of aviation remains on the sidelines. Instead of saying "hell, no," he argues that a well-structured ATC corporation "could be good for everybody, and that's the conversation we ought to be having right now."

Just this week another stakeholder group, the Air Line Pilots Association (ALPA), issued a policy statement



called "We Keep America Flying." Its section on ATC modernization and reform says that "ALPA believes a different construct for ATC could provide system efficiencies and operations benefits," if implemented in accordance with the following:

- Structured as a not-for-profit entity, funded based on use of the system;
- Long-term funding available for sustained development and continuous modernization;
- A governance structure that includes operators, such as controllers and pilots;
- Agile enough to embrace new technologies in a timely manner;
- With sufficient staffing to maintain safe operations in all of the airspace; and,
- With protection of existing employer/employee relationships.

This statement shows a willingness to engage in dialog on the details, which is very constructive.

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## Comparing ANSP Performance

Until about a decade ago, we had very little information on the relative performance of air navigation service providers in different countries. It was assumed, more or less correctly, that economies of scale exist in air traffic management, so that, *ceteris paribus*, larger systems should have lower unit costs, but there was very little real data. All that has changed in the past decade, thanks to yeoman work by two entities: Eurocontrol's Performance Review Unit and the Civil Air Navigation Services Organization (CANSO). Both entities have issued their latest reports in the past two months.

Eurocontrol's report is "2006-2014 U.S.-Europe Continental Comparison of ANS Cost-Efficiency Trends," November 2016. Overall, it finds that unit costs of providing ATC services are 35% lower in the United States than in the 27 Single European Sky (SES) states. That is hardly surprising given that the SES countries operate 50 en-route centers compared with 23 in the United States while ours handles nearly twice as many IFR flight hours in domestic airspace. The SES countries also employ 14% more controllers to staff that excessive number of facilities. The good news from Europe, though, is that the productivity gap with the United States narrowed considerably during the 2006-2014 period. Back in 2006, SES flight hours per controller operating hour were 104% greater in the United States, but the gap was down to 46% by 2014.

To get a look at how *individual ANSPs* compare, however, we must turn to the latest report from CANSO, "Global Air Navigation Services Report 2016," which covers 2011-2015. This is the 7<sup>th</sup> annual report of its kind from CANSO, and is based on carefully vetted data submitted by three ANSPs in Africa, three in North America, six from Asia/Pacific, 12 from Europe (though excluding Britain, France, and Germany, unfortunately), and one from the Middle East.

Since both the FAA's Air Traffic Organization and Nav Canada report their data to CANSO for this report, we now have objective data to answer the question of whether one is more-productive than the other. As I've reported in this newsletter previously, corporatization opponent Delta and its allies continue to claim that the ATO, as the world's largest ANSP, is the most efficient and therefore has the lowest unit costs. The data show otherwise.

The most important overall number is total cost per IFR flight hour. CANSO reports this separately for domestic ("continental") and oceanic airspace. All cost numbers are expressed in US dollars, at exchange rates in effect at the time of the reporting, and these data are all from 2015. The other key metric is controller productivity, defined as IFR flight hours per on-duty controller hours.

| <u>Metric</u>                   | <u>FAA Air Traffic<br/>Organization</u> | <u>Nav<br/>Canada</u> |
|---------------------------------|---|-----------------------|
| Cost/IFR flight-hr.<br>domestic | \$453                                   | \$335                 |
| Cost/IFR flight-hr.<br>oceanic  | \$ 98.8                                 | \$ 62.9               |
| IFR hours/ATCO hour<br>domestic | 1.04                                    | 1.17                  |
| IFR hours/ATCO hour<br>oceanic  | 5.96                                    | 6.53                  |

There is a great deal more in both of these reports, for those interested in the details. But the numbers above are by far the best available, so all those involved in the debate on ATC reform should take them seriously.

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## About that Survey on ATC "Privatization"

Early this month, a coalition of groups released a survey of 800 registered voters around the country which they said showed 62% of voters oppose "privatizing" the FAA's air traffic control system. The survey was carried out by the Global Strategy Group, a national public affairs and political campaign consulting firm serving corporate and political clients. The survey was basically a repeat of one GSG had run in summer 2015 for the same group of clients: the Alliance of Aviation Across America, the League of Rural Voters, and Air Care Alliance—all of which strongly oppose ATC reform.

The 2017 survey first asked general impressions of five federal agencies: US Postal Service (86% positive), FAA (74%), TSA (58%), FEC (52%), and SEC (50%). Next, respondents were asked how good a job they think FAA does operating the ATC system. Most replied "good" (53%) with another 34% saying excellent. After that, they were asked about privatization in general ("allowing private entities to provide services currently or traditionally performed by government"); just 43% supported and 46% opposed. Finally, they were told the following:

"There is currently a proposal in Congress to privatize the operations of the national air traffic control system by taking it from the FAA and turning it over to a non-profit corporation that would be responsible for all aspects of air traffic control, including management of the air traffic control system, funding, and regulation. Do you support or oppose privatizing the national air traffic control system?"

Did you spot the loaded words aimed at getting the desired 62% negative response?

- "taking it from the FAA"
- "the *national* air traffic control system"
- "*and regulation*"

The last of these is an outright falsehood, since providing for arm's-length safety regulation is one of the key aspects of ATC reform, and has been included in all such proposals over the past three decades.

The Alliance for Aviation Across America appears to be the creation of business-jet group NBAA, whose CEO Ed Bolen serves as president of the Alliance's board. Bolen's claims—that ATC "privatization" means turning the system over to "a self-interested airline-centric board of directors" and would "open the door for countless communities served by general aviation to be left behind"—have created fear, uncertainty,

and doubt among many small-town and rural state elected officials. They have been spreading that fear via letters to members of Congress and newspaper op-eds in many parts of the country. It's quite possible that some of the 800 respondents to the Alliance's survey have been influenced by those false claims.

Be that as it may, air traffic control reform is a complex issue, requiring not only a grasp of the technologies and procedures involved but also of the track record of the FAA as manager of the U.S. system, and the track record of corporatized systems around the world. The average voter knows little or nothing about any of this, any more than he or she knows enough to make a serious assessment of reform of the Federal Elections Commission or the Securities & Exchange Commission. One reason we have representative government, rather than direct democracy, is that most issues of public policy are highly complex, taking far more time and analytic effort than the average voter wants to spend.

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### **Politicized Controller Recruitment: Another Reason for ATC Reform**

In the more than 60 countries where air traffic control is considered a service business, regulated for safety by a government agency, the ANSP itself is in charge of recruiting and training its air traffic controllers. Not so, alas, here in the United States since 2014. That was when the Air Traffic Organization's parent agency (FAA) took control controller recruitment away from the ATO, in a misguided attempt to increase "diversity" in the controller workforce. That move disqualified several thousand graduates of FAA-affiliated colleges and universities who had already passed the controller aptitude test (AT-SAT) but had not been able to enter the FAA Academy for training due to the Academy's nine-month shutdown in 2013 due to the federal budget sequester. Last year Congress intervened to correct some of the damage going forward.

A new audit report from the DOT Inspector General reports how this debacle came about, and some of its consequences. Despite reports by outside experts last decade urging FAA to hire only former military controllers and graduates of the ATC curriculum at Collegiate Training Initiative schools, to increase quality and reduce the amount of coursework needed at the Academy, the FAA's Human Resources branch hired outside diversity consultants who claimed to find potential barriers to hiring women and minorities as controller trainees. This led to transfer of control from the ATO itself to the FAA Human Resources office and the sudden introduction of a new recruitment process in early 2014, in which all applicants had to pass a Biographical Assessment as a screening device, before being allowed to take the aptitude test. Even CTI graduates who had previously passed AT-SAT had to re-apply under the new procedures (and many of them were told that they had flunked the Biographical Assessment).

The I.G. audit documents the consequences of this disruptive change. Once the Academy re-opened in 2014, only 10% of the applicants had progressed to the Academy, with the balance still stuck somewhere in the hiring process. As a result, the Academy had to cancel 34 air traffic basic classes and 614 seats were left unfilled. By October 2015, half the applicants (741) had progressed to the Academy or were placed at an ATC facility for on-the-job training. As a result, FAA failed to meet its hiring goals by 14% in 2014 and by 24% in 2015. These training shortfalls contributed to the controller shortages that controllers' union NATCA has rightly been complaining about.

Because it takes several years after graduating from the Academy for a trainee to either wash out or become certified as fully qualified, the I.G. audit points out that it is too soon to tell if FAA's new hiring process has improved or reduced the success rate of hiring and training controllers. The report also points out that FAA cannot even tell if the new process increased the "diversity" it was aimed at doing. That's because candidates are not required to disclose their race or ethnicity during the application process, and "there was a social media campaign among applicants not to self-identify." In 2015, that was changed to provide multiple opportunities for applicants/trainees to provide that information, and "officials at the Academy are now visually observing newly hired controllers . . . to attempt to properly classify their candidates."

By this point, I imagine readers at non-US ANSPs are shaking their heads in dismay. This whole effort was a disgrace, and is yet another reason to de-politicize the Air Traffic Organization by separating it from the FAA and from the federal budget. Support for reforming the controller hiring process last year was truly

bipartisan. I hope those who went to bat for well-qualified controllers will consider having the United States join the mainstream of countries with de-politicized, self-supporting ANSPs.

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### Mike Levine, RIP

Earlier this month the Renaissance man of U.S. aviation, Michael E. Levine, died at a dismayingly early age. He was perhaps best-known as one of the principal architects of airline deregulation, serving as the right-hand man of Civil Aeronautics Board chairman Alfred Kahn. But his career in aviation was far broader than that.

Mike graduated from Yale Law School and was a law and economics fellow at the University of Chicago Law School. Over his academic career, he held faculty positions at Caltech, Harvard, Yale, USC, and, most recently, NYU. If that were not enough, after his history-making stint at the CAB, Mike joined the airline industry, first as an advisor to Eastern and Continental, next as a Continental executive, and then as CEO of start-up New York Air and later as Executive VP at Northwest.

Dorothy Robyn did an extensive interview with Mike at DePaul University on April 17, 2006. It covers the evolution of his thinking about the economics and politics of aviation, as well as many career highlights, and once I began reading it I could not put it down. It's published in the journal *Issues in Aviation Law and Policy*, Vol. 11, No. 2. For the next 30 days, you can download the interview at no charge from the following [site](#).

A video of the interviews is online [here](#).

My thanks to Prof. Steven Rudolph at DePaul University; anyone who wishes to order bound copies of the interviews or to subscribe to the journal, please email [IALP@depaul.edu](mailto:IALP@depaul.edu).

My first interaction with Mike took place in 1973, while he was holding down teaching positions at both Caltech and USC. He'd given a presentation on airport problems at a Los Angeles forum called Town Hall. Because he'd argued for market pricing of runway access, I asked if we could turn it into an article for *Reason* magazine, and he agreed. His "The Airport Crisis, and How to Solve It," appeared in *Reason's* April 1973 issue.

When I began serious research on the FAA and air traffic control in 1977, I visited Mike at Caltech to get his perspectives. He gave me quite a briefing on FAA and ATC. When I told him that several of my former co-workers had previously worked at ARINC and explained that ARINC had pioneered the introduction of air traffic control five or six years before the federal government took it over, he confirmed that as correct. And he added that after World War II ARINC had helped Cuba and Mexico set up comparable airline-owned nonprofit corporations to provide ATC services, Radio Aeronautica de Cuba (RACSA) and Radio Aeronautica de Mexico (RAMSA), both later nationalized by their governments. He told me about flying to and from Mexico and paying the RAMSA ATC fees.

Many years later I began encountering Mike again on the invitation-only online discussion group Mifnet, where he was revered as the guru of aviation law and economics. In 2007, as I was advising a DOT task force on New York airports congestion, I was also working on a major Reason Foundation policy study on how to apply runway pricing at those airports. Mike agreed to be a reviewer on the draft, and his comments on conditions needed if pricing were to be implemented were so insightful that we published them as a stand-alone policy brief [here](#).

Also in 2007, during my discussions of airport pricing and ATC corporatization with White House domestic policy chief Karl Zinsmeister, the subject of a new FAA Administrator came up. The Bush White House needed a successor to Marian Blakey, whose term had expired, but was very concerned about being able to get any nominee confirmed by the Democratic-majority Senate. I told Karl about Mike Levine, who as far as I knew was a Democrat, and Karl was intrigued by the idea. I pitched Mike about this, and he was cool at first, but eventually agreed to spend a day in Washington talking with various

people, including former Administrator Langhorne Bond and several others, in addition to Karl. I don't know if he ever decided he'd go for it, but the White House decided not to risk losing a confirmation battle, and did not nominate anyone during their remaining year in office.

I often wonder how the FAA might have changed, if Mike had become the Administrator. He had no experience *running* a federal agency, but had been very effective as a change-agent at the CAB. And he'd had no previous experience running an airline, but did very well at New York Air and Northwest. Alas, we will never know. U.S. aviation has lost one of its giants.

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## News Notes

Separating Fact from Fiction re ATC Corporatization. An op-ed in the widely read Washington, DC newspaper, *The Hill*, earlier this month, made numerous false or misleading assertions about the kind of ATC reform that controllers, airlines, and many former FAA and DOT officials support. In response, *The Hill* published my op-ed, "Air Traffic Control Debate Should Focus on Facts, Not False Terms" on February 10, 2017. Go [here](#).

Multiple Airports with a Single Remote Tower Center. Ireland's ANSP, IAA, recently announced completion of operational trials of controlling air traffic at several airports from a single remote tower center. The project involved remote sensing equipment installed at Cork and Shannon airports, a remote tower center in Dublin, and network connections between the two remote airports and the control center in Dublin. In the demonstrations, a single controller managed the low-activity traffic at both airports.

UK Researching Major Airspace Redesign. A coalition of airports, airlines, and U.K. air navigation service provider NATS, called Sky's the Limit, was launched in December to build public and political support for large-scale redesign of U.K. airspace to permit continued aviation growth. In response, the U.K. Department for Transport has launched a series of public consultations on the subject. Without airspace redesign, by 2030 there could be 3,100 days' worth of delays and 8,000 flight cancellations per year, DfT estimates. The consultation will study not only redesign of the airspace but also changes in ATC operations and procedures, and possible compensation for those affected by increased noise from aviation.

Australia Switched to ADS-B This Month. As of Feb. 2, 2017 all aircraft flying IFR in Australia must be equipped with ADS-B/Out equipment. Australia's ANSP last year decommissioned around 180 ground-based navigation aids, including VORs, NDBs, and DMEs. Some 213 nav aids will be kept in service as a Backup Navigation Network. In response to pleas from general aviation, the deadline for noncommercial GA planes to be equipped was extended to Jan. 1, 2020, but those non-equipped planes must fly below 10,000 ft. in non-controlled airspace and may only fly or land in controlled airspace with permission from ATC.

FAA Seeks Land for New York ATC Facility. Last Dec. 16<sup>th</sup>, FAA issued a Request for Information from owners of land parcels of 27 to 35 "contiguous buildable acres" within the State of New York, suitable for building a replacement for the New York TRACON. Information was to be submitted by Jan. 30, 2017, but I have seen no announcement from FAA regarding what information the agency may have received. The original plan from several years ago was for FAA to build the first of a number of new centers that would consolidate a major TRACON with a Center, but budget limitations appear to have terminated that plan.

Iceland Will Improve North Atlantic and Polar Air Routes. The ANSP of Iceland, Isavia, has signed up as a customer of space-based ADS-B provider Aireon to provide greatly improved separation for flights in polar regions. Isavia is responsible for over 5.4 million square kilometers of airspace via the Reykjavik Oceanic Control Area. The Aireon service will permit Isavia to provide real-time surveillance and tracking in the region from 70 degrees north to the North Pole. About one quarter of air traffic across the North Atlantic passes through airspace controlled by Isavia. With Isavia's decisions, all North Atlantic ANSPs (except FAA) have committed to use space-based ADS-B: Ireland's IAA, Isavia, Naviar (Greenland), Nav Canada, and UK NATS.

CANSO Chair Retires. Ed Sims, the current chairman of ANSP trade association CANSO, has announced his resignation effective May 2017. He is also retiring from his position as CEO of Airways New Zealand, the ANSP of that country.

ATC Reform Online Resource. The Eno Center for Transportation maintains a comprehensive online compendium of information about reform of the U.S. ATC system. The information is organized in four main categories: (1) action in the current Congress; (2) analysis of ATC structure and funding from government entities (such as GAO, CRS, and the DOT Inspector General); (3) analysis of ATC structure and funding from non-governmental sources (such as think tanks); and, (4) past legislative efforts on ATC reform. Go here.

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### Quotable Quotes

"Most aviation experts believe that space-based ADS-B is a game-changer with the potential to transform the air traffic control landscape. The FAA's failure to date to embrace this exciting new capability reflects the agency's dire budget situation and inability to impose user fees. And while budgeting is necessarily about making trade-offs, under the current FAA funding arrangement there is a significant disparity between who would pay for and who would benefit from space-based ADS-B. Federal policymakers need to find a way to overcome that disparity so that it does not result in the loss of an opportunity that is highly net beneficial."

—Dorothy Robyn and Kevin Neels, "Warranted Surveillance: SpaceX Satellite Launch Holds Promise for Air Traffic Control," Brookings Institution, January 17, 2017

"Remember, this isn't a trillion dollars of taxpayer spending. It is how do we leverage private-sector dollars so we can leverage more private-sector spending on infrastructure like pipelines and things like that. . . . We have to overhaul the entire air traffic control system. That's a huge infrastructure piece with airports. That's all part of this."

—Speaker Paul Ryan (R, WI), "Fox & Friends," February 2, 2017

**"NextGen has been fraught with delays and cost overruns and, despite having spent \$7.4 billion over the past 12 years, is still 13 years away from being finished. Up north, meanwhile, the Canadian air traffic control system—which is second busiest after the U.S.—has already deployed truly state-of-the-art technology throughout its system, letting it handle 50% more traffic while trimming its work force by 30%. What's the difference? In 1996 Canada sold its government-run air traffic control to a nonprofit corporation called Nav Canada. User fees pay for its operations and pay for upgrades, and Nav Canada is free of the suffocating bureaucracy and endless budget battles that plague the US. System. The Canadian government's role is limited to regulating Nav Canada for safety. Other industrialized nations have taken similar steps."**

—Editorial, "Here's How Trump Can Make Air Travel Great Again," *Investor's Business Daily*, February 10, 2017

Sharon L. Pinkerton

SVP Legislative & Regulatory Policy

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**From:** daniel.elwell@dot.gov  
**Sent:** Friday, February 3, 2017 9:30 PM  
**To:** spinkerton <spinkerton@airlines.org>  
**Cc:** Fulton, Finch (OST) <Finch.Fulton@dot.gov>  
**Subject:** Re: Happy Friday afternoon!

---

We'll keep an eye on them. Enjoy your weekend and the Super Bowl.

Dan

Sent from my iPhone

On Feb 3, 2017, at 8:59 PM, spinkerton <[spinkerton@airlines.org](mailto:spinkerton@airlines.org)> wrote:

Thanks for the response Dan, appreciate it. We are anxious to know when we'll have a yes or no. Hopefully we'll know something next week, thank you.

Hope you get to enjoy the super bowl! A

Sent from my iPhone

On Feb 3, 2017, at 5:51 PM, Elwell, Daniel (OST) <[daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)> wrote:

Hi Sharon,

I checked with Judy and she said the regs were under review in light of the "freeze" memo and that she had informed Dave. We'll know more next week, but OGC isn't going to do anything with them in the near term.

Have a nice weekend.

Dan

Sent from my iPhone

On Feb 3, 2017, at 4:35 PM, spinkerton <[spinkerton@airlines.org](mailto:spinkerton@airlines.org)> wrote:



Finch, Dan -

I wanted to make sure folks at DOT were aware of the attached letter. We've sent it to DOT's acting GC and Blane Workie but haven't heard back. We're essentially asking for a freeze / implementation delay on 5 different regulatory actions. The most important issue is Obama's Consumer Rule 3 that is set to go into effect on February 15. Right now we're in a bit of legal limbo not knowing what the implementation date will be.

We had hoped to hear from DOT by 2/1. If someone could give us a sense of what to expect that would be very helpful. Happy to chat if that helps as well.

Many thanks, I know everyone is inundated, Sharon

PS. Finch – Dan knows me, but I'm introducing myself to you and saying congrats and welcome to DOT! I'll look forward to meeting you.

Sharon L. Pinkerton

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<DOT Reg Freeze Letter Jan27 Final.pdf>



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David A. Berg  
Senior Vice President, General  
Counsel & Secretary  
O: (202) 626-4234  
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January 27, 2017

Judy Kaleta, Deputy General Counsel  
Blane Workie, Assistant General Counsel  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: Applicability of the January 20 Reince Priebus Memorandum – Regulatory Freeze Pending Review

Dear Judy and Blane,

I am writing to request that the Department announce by February 1 it is extending the effective dates, implementation dates or response dates of several regulatory actions that are covered by the January 20, 2017 memorandum to department heads directing a "Regulatory Freeze Pending Review" (the "Memorandum"). The purpose of the freeze is to ensure that new Department heads or their designees have an opportunity to review and approve any new or pending regulations.

Three items listed below have fast-approaching deadlines -- comments on the proposed rule for mobile phone use (February 13), the implementation of certain provisions of Passenger Protection Rule III (February 15), and responses to the Request for Information on distribution practices (March 31). I therefore would appreciate knowing by February 1 if the Department will extend the implementation and comment dates for these regulatory actions.

The regulatory freeze is not limited to final rules. For purposes of the directive, the term "regulation" is defined to mean "regulatory action" as used in EO 12866 and it is to be broadly construed to include "any substantive action by an agency (normally published in the Federal Register) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking." It also covers "any agency statement of general applicability and future effect" setting forth agency policy on, or interpretation of, a statutory or regulatory issue.

Paragraph 3 of the Memorandum applies to regulations that have been published in the Federal Register but not yet taken effect. It requires that the effective date of such regulations be postponed 60 days from January 20, 2017.

Paragraph 3 must be construed liberally to give effect to the broad purpose and intent of the Memorandum. Clearly, in the case of final rules, the effective date, or implementation date if different than the effective date, should be delayed a minimum of 60 days. In the case of a notice requesting comment

on a proposed action, or requesting the submission of views or information, the Memorandum's directive to postpone the effective date should be applied to the due date for comments or submissions. Specifically, the Department should suspend the comment or response period until the Secretary or her designee has had an opportunity to review and approve (or disapprove) the regulatory action. This approach is consistent with the spirit of the Memorandum and will allow the Secretary time to review such regulatory actions and, importantly, not cause interested parties to waste resources by filing comments, views or information should the Secretary or her designee decide to terminate the regulatory action. If the Secretary or her designee approves the continuation of the regulatory action, a new 60 day comment or response period should be issued.

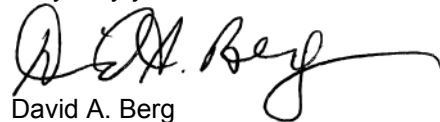
The DOT "regulatory actions" listed below are covered by the Memorandum. Consistent with Paragraph 3 of the Memorandum, the effective date or implementation date of final rules should be delayed at least 60 days, and for other regulatory actions the due date for comments or submissions should be delayed until 60 days after the Secretary has approved their continuation:

1. Final Rule: Enhancing Passenger Protections III, provisions concerning codeshare disclosure requirements and prohibition of undisclosed flight display bias (implementation date February 15, 2017). Docket No. DOT-OST-2014-0056
2. Final Rule: Reporting Data for Mishandled Baggage and Wheelchair Damage (effective date December 2, 2016; implementation date January 1, 2018). Docket No. DOT-RITA-2011-0001
3. Supplemental Notice of Proposed Rulemaking: Transparency of Airline Ancillary Service Fees (comment period closes March 20, 2017). Docket No. DOT-OST-2017-0007
4. Request for Information: Exploring Industry Practices on Distribution and Display of Airline Fare, Schedule, and Availability Information (comment period closes March 31, 2017). Docket No. DOT-OST-2016-0204
5. Notice of Proposed Rulemaking: Use of Mobile Wireless Devices for Voice Calls on Aircraft (comment period closes February 13, 2017). Docket No. DOT-OST-2014-0002

This list is not comprehensive and other pending regulatory actions may be covered by the Memorandum. The Advance Notice of Proposed Rulemaking on refunding baggage fees for delayed checked bags is not listed because paragraph 4 of the Memorandum excludes regulations subject to a statutory deadline. It also appears that the recently published Notice of Proposed Rulemaking to expand the list of drugs tested in transportation programs falls under the Memorandum's safety exception.

Thank you for considering our request. We look forward to your prompt response. Please contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. A. Berg", with a stylized flourish at the end.

David A. Berg

## Ray, Kathy (OST)

---

**From:** Dan Elwell <dan@elwell.aero>  
**Sent:** Thursday, January 05, 2017 1:13 PM  
**To:** carl.burleson@faa.gov  
**Subject:** Re: Congrats- heard you were official as of today.

Thanks. I asked Nancy or Karen to request the Shuster letter, but I'm not sure either one did. I don't think I can ask for it directly. Chris Brown asked the committee for it, earlier today, but hasn't gotten a reply. Hmmm...

We should talk at some point today.

Dan

On Thu, Jan 5, 2017 at 1:03 PM, <carl.burleson@faa.gov> wrote:

Sent from my iPad

--

**Dan Elwell**

President and Managing Partner

**Elwell & Associates LLC**

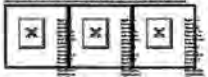
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**Ray, Kathy (OST)**

---

**From:** Burleson, Carl (FAA) <carl.burleson@faa.gov>  
**Sent:** Friday, January 06, 2017 9:29 AM  
**To:** Dan Elwell  
**Subject:** SENSR Plan  
**Attachments:** Attachment 1 - SENSR Spectrum Pipeline Plan.pdf

Dan

Here's more info that you would ever want.

Also, let me know if there's anyway else I can help

Cheers

Carl

## **Attachment 1 – SENSR Spectrum Pipeline Plan**

To provide additional context for this spectrum reallocation effort, a redacted form of the SENSR Spectrum Pipeline Plan is provided in this attachment. Portions of the Spectrum Pipeline Plan have been removed including cost information as well as details associated with the SENSR governance structure. This information will be provided within the formally approved Pipeline Plan and details on the approval process are provided below.

As described in the Background portion of the draft RFI, the Spectrum Pipeline Act of 2015 authorizes the use of the Spectrum Relocation Fund (SRF) for research and development, engineering studies, economic analyses, activities with respect to systems, or other planning activities intended to improve the efficiency and effectiveness of the spectrum use by Federal entities. A key artifact to authorize this SRF transfer request is the development and approval of a Spectrum Pipeline Plan. In support of this approval, a SENSR Spectrum Pipeline Plan has been developed by the Government Team to seek funds from the SRF. The SENSR Spectrum Pipeline Plan is being submitted to the Technical Panel for their approval. The Technical Panel consists of representatives of the Office of Management and Budget (OMB), the Commerce Department's National Telecommunications and Information Administration (NTIA), and the Federal Communications Commission (FCC). The Technical Panel will approve or disapprove the Plan within 120 days of submission. In addition, before OMB can make the requested payment to the agencies, the Technical Panel will submit the approved plan to Congress for an additional 60-day approval period.

# **Spectrum Pipeline Plan: SENSR Program**

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## EXECUTIVE SUMMARY

A cross-agency program titled Spectrum Efficient National Surveillance Radar (SENSR) has been initiated and is seeking to make available a minimum of 30 MHz in the 1300 – 1350 MHz band for reallocation to shared Federal and non-Federal use through updated radar technology. In support of the SENSR program, this Spectrum Pipeline Plan has been developed seeking funds from the Spectrum Relocation Fund (SRF) to conduct a two-phased approach, which will assess the feasibility of the proposed spectrum reallocation. The two phases are expected to be completed by 2021 and include the following:

- **Phase I – Defining:** The first phase would occur over approximately two years and will focus on requirements and concept development as well as documenting expected costs and information for all impacted systems.
- **Phase II - Refining:** The second phase will focus on maturing the selected alternative into a viable and well-planned investment program ready for Solution Implementation.

An overview of the planned activities for each of the phases above is described in this plan. This Spectrum Pipeline Plan is seeking funds from the SRF for Phase I initially. A follow-on Spectrum Pipeline Plan will be submitted for funding requests to support Phase II activities. Also, an overview of all planned activities, including anticipated Solution Implementation analyses (i.e., post-Phase II) is also described in this plan.

# 1. INTRODUCTION

## 1.1 Spectrum Initiative

The White House and Congress continue to seek to identify spectrum for wireless broadband. In 2004, the Commercial Spectrum Enhancement Act created the SRF to provide a funding mechanism for Federal agencies to recover costs associated with reallocating systems from certain spectrum bands which were authorized to be auctioned for commercial purposes. A 2010 Presidential Memorandum directed the Secretary of Commerce, working through National Telecommunications and Information Administration (NTIA), to collaborate with the Federal Communications Commission (FCC) to make available a total of 500 megahertz (MHz) of Federal and non-Federal spectrum within 10 years for mobile and fixed wireless broadband use<sup>1</sup>. A 2013 Presidential Memorandum reiterated the 2010 White House policy spectrum goal to make 500 MHz of Federal and non-Federal spectrum available for wireless broadband<sup>2</sup>. Based upon the 2012 President's Council of Advisors on Science and Technology report, it additionally promoted shared access to spectrum that is currently allocated exclusively for Federal use.<sup>3</sup>

The Spectrum Pipeline Act of 2015, included as Title X of the Bipartisan Budget Act of 2015 (H.R. 1314), requires the Secretary of Commerce to identify 30 MHz of Federal spectrum for repurposing or sharing by 2022 and begin to auction it by 2024. It also authorizes use of the SRF for research and development (R&D), engineering studies, economic analyses, activities with respect to systems, or other planning activities intended to improve the efficiency and effectiveness of the spectrum use by Federal entities. These analyses will be conducted in order to make available frequencies for reallocation for non-Federal use or shared Federal and non-Federal use, or a combination.<sup>4</sup>

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<sup>1</sup> "Presidential Memorandum: Unleashing the Wireless Broadband Revolution," The White House, 28 June 2010, <https://www.whitehouse.gov/the-press-office/presidential-memorandum-unleashing-wireless-broadband-revolution>

<sup>2</sup> "Presidential Memorandum: Expanding America's Leadership in Wireless Innovation" The White House, 14 June 2013, <https://www.whitehouse.gov/the-press-office/2013/06/14/presidential-memorandum-expanding-americas-leadership-wireless-innovation>

<sup>3</sup> "Report to the President: Realizing the Full Potential of Government-Held Spectrum to Spur Economic Growth," Executive Office of the President, President's Council of Advisors on Science and Technology," July 2012, [https://www.whitehouse.gov/sites/default/files/microsites/ostp/pcast\\_spectrum\\_report\\_final\\_july\\_20\\_2012.pdf](https://www.whitehouse.gov/sites/default/files/microsites/ostp/pcast_spectrum_report_final_july_20_2012.pdf)

<sup>4</sup> Bipartisan Budget Act of 2015, H.R.1314, 114<sup>th</sup> Congress, 2015, <https://www.congress.gov/bills/114th-congress/house-bill/1314>.

Spectrum holds tremendous value, both in terms of Federal Agency mission value and monetary value. Mission value denotes the critical value of spectrum to Federal Agencies to enable them to achieve their missions. Monetary and other economic value includes the increased financial revenue to the United States (U.S.) Treasury from spectrum auctions and a boost to national economic interests. The recent Advanced Wireless Services-3 auction grossed \$42.4 billion, much higher than anticipated. An April 2016 Cellular Telephone Industries Association report estimated that the U.S. wireless industry annually generates more than \$194.8 billion of domestic economic value and more than \$282.1 billion in U.S. Gross Domestic Product.<sup>5</sup>

Additionally, our nation's long-range (Air Route Surveillance Radar Model 4 (ARSR-4)) and short-range (Airport Surveillance Radars (ASRs)) radar systems have been deployed for decades and have reached or exceeded their predicted service life. Maintenance costs remain high due to a legacy infrastructure composed of disparate designs and logistics support systems. As the demands of the National Airspace System (NAS) increase, present radars may not be capable of delivering the functionality needed for the future.

The Federal Aviation Administration (FAA) established the Next Generation Surveillance and Weather Radar Capability program with the goal of providing a cost-effective replacement for terminal surveillance and weather radars. Over the last seven years, the FAA has conducted R&D in support of a more efficient radar replacement system. As part of this effort, the FAA (working with the Department of Commerce (DOC), National Oceanic and Atmospheric Administration (NOAA)) has considered the possible replacement of long-range air surveillance systems that operate in the 1215 – 1390 MHz spectrum and the potential for combination with short-range air surveillance, weather, and terminal Doppler weather radar capabilities. The FAA analyzed a set of alternatives in order to assess the technical feasibility of this effort including, but not limited to Multi-Function Long-Range Phased Radars and Multi-Function Short-Range Phased Array Radar (PAR) Networks.

The FAA also worked with the Department of Defense (DoD) in analyzing the spectrum band to assess which frequencies could be made available through the potential consolidation of radar. DoD has additional systems that operate within the 1215 – 1390 MHz spectrum band. Through this analysis, the 1300-1350 MHz band was identified as the best frequency to make available. This spectrum will provide access for wireless broadband over a significant portion of the U.S. landmass, while enabling more efficient use of other radar spectrum by Federal Agencies.

## **1.2 Purpose and Scope**

In support of the spectrum initiatives and the aging long-range and short-range radar systems, the FAA, DoD, Department of Homeland Security (DHS) and DOC (NOAA) have initiated a Spectrum Efficient National Surveillance Radar (SENSR) program. This

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<sup>5</sup> "The Wireless Industry: Revisiting Spectrum, The Essential Engine of US Economic Growth" Cellular Telephone Industries Association, April 11, 2016.

Spectrum Pipeline Plan has been developed in support of the SENSR program and is seeking funds from the SRF. This plan will focus on the R&D, engineering studies, activities with respect to systems, or other planning activities to determine the feasibility of improving the efficiency and effectiveness of the spectrum use by Federal radar operations with a primary focus on making available a minimum of 30 MHz in the 1300 – 1350 MHz band for reallocation to shared Federal and non-Federal use through updated radar technology. While the SENSR Government Team is assessing the feasibility to vacate a minimum of 30 MHz in the 1300-1350 MHz band, there may be DoD and/or DHS systems that remain in this band, which would potentially require shared federal and non-Federal use in certain geographic areas.

This Spectrum Pipeline Plan describes the analysis activities that will provide the basis for determining the feasibility of relocating surveillance radar capabilities. This effort will focus on the pre-implementation work to improve the efficiency and effectiveness of the spectrum usage, specifically to make available for auction a minimum of 30 MHz in the 1300 – 1350 MHz band available for auction.

The systems currently in the 1300 – 1350 MHz band are DoD, DHS, and FAA systems. The plan emphasizes the spectrum assets associated with aeronautical surveillance requirements for aircraft navigation and national security as well as weather radar (Figure 1). In order to make available for auction a minimum of 30 MHz in the 1300 – 1350 MHz band, funding is needed to analyze the feasibility of moving the aeronautical long-range radar systems out of 1300 – 1350 MHz by potentially consolidating with the short-range radar systems and the weather radar systems into another spectrum band (possibly 2700 – 2900 MHz). This plan sets in motion actions to establish a Government Team to define requirements for long-range and short-range air surveillance, weather and terminal Doppler weather radar, the associated technologies that may meet those requirements, and proposed options for meeting those requirements.

This plan primarily addresses the cost and pre-implementation analysis activities in support of an expected 2018 vendor Fly-off to support an expected 2021 Solution Implementation Decision. It does not include follow-on implementation activities.

This joint plan is not intended to cover other 1300 – 1350 MHz DoD/DHS-specific applications that are defense and security related. DoD and DHS will prepare a separate plan(s) to study activities and costs associated with these other applications and their relationship to reallocation of this spectrum. This will include other systems operated by DoD or DHS (such as Lightweight Surveillance Target Acquisition Radar (LSTAR), Tethered Aerostat Radar System (TARS), and other test and training range radars) in or near the 1300 – 1350 MHz band or systems in or near any band that may be the subject of the new technology development resulting from this plan. Both the SENSR effort and any separate DoD/DHS plan(s) will also study the compatibility with systems (e.g., guard band and interference assessments) in or near any band that may be impacted by reallocation of spectrum assets. The work associated with these DoD and DHS plans will inform other interagency planning efforts. These plans taken together will represent the entirety of the studies' work and its associated costs to determine the feasibility of

reallocating at a minimum 30 MHz in the 1300 – 1350 MHz band or some part of that band.

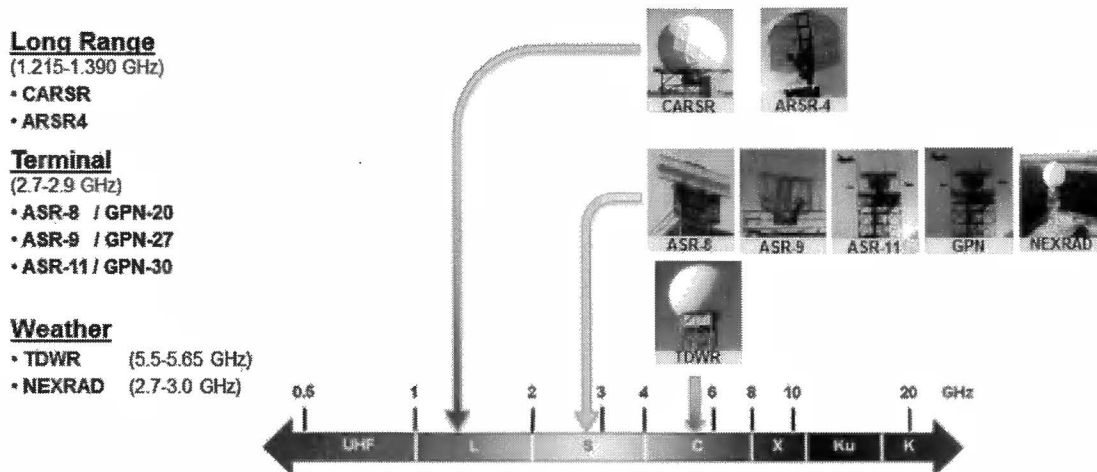


Figure 1. Current Spectrum Assets Considered in this Plan

### 1.3 Analysis Approach

The pre-implementation effort will be conducted by a Government Team composed of the FAA, DoD, DHS, and DOC (NOAA). This work will be divided into two phases for a total of four years to be complete in 2021. These two phases are (Figure 2):

- Phase I – Defining:** The first phase will occur over approximately two years and will focus on requirements and concept development as well as documenting expected costs and information for all impacted systems. Significant emphasis within this phase will be on gathering and incorporating industry feedback on their capability in achieving spectrum efficiency. This feedback will shape alternatives definition and identification of potential solutions that best satisfy the spectrum goals and requirements within defined cost, schedule, performance, benefit, and risk constraints. This phase will also identify current as well as new spectrum use/assignments that will be impacted by this effort (if possible).
- Phase II – Refining:** The second phase will focus on maturing the down-selected alternatives into a single viable and well-planned investment program ready for Solution Implementation. It would also encompass additional maturing of requirements, industry concept development evaluation, contract execution definition, and a more refined cost and benefits of the implementation including trade space analysis for potential deployment schedules that may increase the value of the spectrum when auctioned.

Collectively, the completion of these two phases will result in a feasibility decision as to whether the surveillance radars can be potentially consolidated and are able to vacate at a minimum 30 MHz in the 1300 – 1350 MHz spectrum. If a positive feasibility decision is achieved a contract will be awarded to begin the Solution Implementation effort that will focus on producing a radar solution with a waterfall/transition timeline to vacate at a minimum 30MHz in the 1300 – 1350 MHz band. The pre-implementation work will

conclude with the beginning of the Solution Implementation effort, which is needed to support an auction in 2024. In support of this effort, a Solution Implementation-Transition Plan will be submitted seeking a funding request for the associated Solution Implementation analysis activities.

While this plan covers the two phases and the Solution Implementation, it provides significantly more detail on the pre-implementation efforts in Phase I. Phase I activities will provide a basis for an initial SRF disbursement to support research and planning activities associated with this portion of the spectrum reallocation feasibility study.

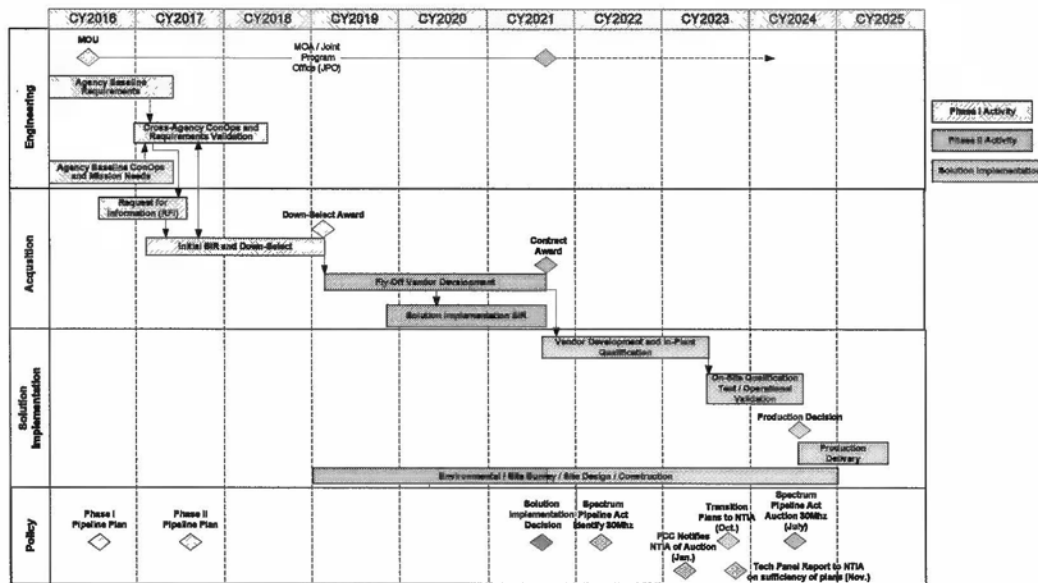


Figure 2. Analysis Approach

## 1.4 Assumptions and Target Constraints

The assumptions associated with this plan include the following:

- Impacted incumbent or planned systems operating in the 1300 - 1350 MHz band and associated points of contact have been identified.
- To execute this phased approach, FAA, DoD, DHS, and DOC (NOAA) will develop a Memorandum of Agreement (MOA) to establish a Government Team. A separate MOA will be developed for the Solution Implementation phase.
- Mission capability needs will be identified in the final requirements document as part of the Phase I and Phase II activities.
- SRF funds will be available for planning, research, development, and evaluation activities defined in this plan.
- NTIA will continue to authorize new Federal Government assignments in the 1300 – 1350 MHz band during any relocation transition period and beyond for systems that remain in the band.
- The study work will be completed in time to support an auction of identified spectrum by 2024.

- The work on other 1300 – 1350 MHz systems will be conducted in parallel to support a 2024 auction.
- Funding will be needed to support Solution Implementation activities prior to auction (will be addressed in the Solution Implementation-Transition Plan)
- The activities within this Spectrum Pipeline Plan (e.g. the conceptual discussions, research, testing and implementation of any approach or solution) will be coordinated with several key stakeholders including those users affected by this cross-agency effort (e.g., DoD/DHS Long Range Radar Joint Program Office, FAA NAS Defense Program, FAA Technical Operations, NEXRAD program) to ensure that any risks to the respective missions of these key stakeholders have been identified and mitigated prior to vacating the targeted spectrum.

The target constraints associated with this plan include the following:

- No loss or degradation of critical existing or planned capabilities in the U.S. and its territories.
- Assured access to and full protection of long-range air surveillance until the last long-range air surveillance radar has relocated from the band.
- For systems moving to a new band, provision of timely NTIA spectrum certification, frequency assignments, and verification of a reasonable prospect of achieving international coordination consistent with mission requirements.
- Adequate time to relocate to new spectrum bands and/or modify systems affected by the reallocation.



## **2. PHASE I**

### **2.1 Activities**

#### **2.1.1 Initial Performance Requirements Baseline**

Initial performance requirements for proposed aeronautical radio navigation, weather, and homeland defense/security radar surveillance capability will be based on existing legacy surveillance functionality and validated system performance shortfalls.

Performance requirements of legacy surveillance systems under consideration include:

- **Long-Range Radars (LRRs) (1215 – 1390 MHz):** There are several models of LRRs operating in the NAS: the ARSR-4, the Common Air Route Surveillance Radar (CARSR), and the Army-Navy Fixed, Radar, Search-117 FPS-117. LRRs are primary surveillance radars that provide long-range aircraft surveillance beyond 200 nautical miles (nmi), as well as precipitation reflectivity formatted into six distinct intensity levels. They are part of the Joint Surveillance System that is used to provide coverage as part of the NAS and nationwide air defense surveillance network. The LRRs are integrated with a collocated integration/response beacon system to provide correlated target output data. DoD and DHS fund the operations and maintenance of all LRRs; however, the FAA operates and maintains the CARSR and ARSR-4s (as owners of the systems) on their behalf. There are on the order of 80 CARSR and 40 ARSR-4 systems.
- **Short-Range Radars (2700-2900 MHz):** There are three models of ASRs operating in the NAS: ASR-8/9/11. Each ASR model is a short-range (60 nmi) radar systems used for terminal area and en route gap filler surveillance. Select ASRs are collocated with and interfaced to integration/response beacon systems to produce correlated radar surveillance data. They also incorporate a separate weather channel, which is capable of producing two- or six-level weather contour mapping. This data is provided to Air Traffic Control (ATC) display systems. There are over 300 FAA and DOD systems.
- **Air Traffic Control Beacon Interrogator Model 6 (ATCBI-6) (1030/1090 MHz):** The ATCBI-6 is a ground-based system that interrogates transponders, receives and processes replies from transponders, determines the range and azimuth to the aircraft, and forwards the information to appropriate ATC automation systems. Replies provide identification and altitude data of the transponder. ATCBI-6 and other secondary surveillance radars are usually integrated with primary long-range and short-range surveillance radars listed above. Approximately 170 systems providing ATCBI-6 capabilities are anticipated to serve as a backup capability to ADS-B.
- **Mode-5 (1030/1090 MHz):** Mode-5 is the most recent implementation of the Identification Friend or Foe (IFF) system, a military designation of the ATC System that is used to identify and track military aircraft. The IFF system consists of an airborne transponder and a ground (or airborne) interrogator. The system measures the distance and heading to the aircraft, and the transponder encodes identification and position information into the response. Adopted in 2002 by both the U.S. and North Atlantic Treaty Organization, the Mode-5



waveform uses modern modulation, coding, and cryptographic techniques to overcome performance and security limitations, and provides expanded data handling capabilities to pass securely Global Positioning System position and other extended data.

- Weather Surveillance Radar – 88 Doppler (WSR-88D) (2700 – 3000 MHz): The WSR-88D (also referred to as The Next Generation Weather Radar (NEXRAD)) is a tri-agency (FAA, DoD, and the National Weather Service (NWS)) dual polarized Doppler weather radar that identifies and tracks precipitation and weather attribute information such as high-wind velocity, hail, tornado, wind shear, precipitation intensity, and echo tops products. WSR-88D products are used by NWS personnel to issue weather forecasts, watches, and warnings. Its data is provided to DoD, FAA (where data is displayed on air traffic automation and traffic management systems), and a variety of commercial, private, and government users. There are approximately 160 WSR-88D systems.
- Terminal Doppler Weather Radar (TDWR) (5600 – 5650 MHz): The TDWR system detects hazardous weather conditions, such as wind shear, microbursts, gust fronts, storm cells, three-dimensional terminal winds, and heavy precipitation at high-density airports. Weather information, including alerts of wind shear activity in the terminal area, is provided to ATC in tower, terminal, and en route airspace domains. The NWS uses the FAA TDWR data to aid their forecasters in severe weather warning, general forecasting, and in developing aviation-specific products such as Terminal Aerodrome Forecasts, and distributes the data (in WSR-88D format) to a variety of commercial, private, and government users. There are 45 TDWRs.

Any additional performance requirements to be considered for the initial baseline will be evaluated by a cross-agency Government Engineering Team (GET) for consideration. The GET will provide the Government Team a technical assessment of impacts in expanding the requirement baseline.

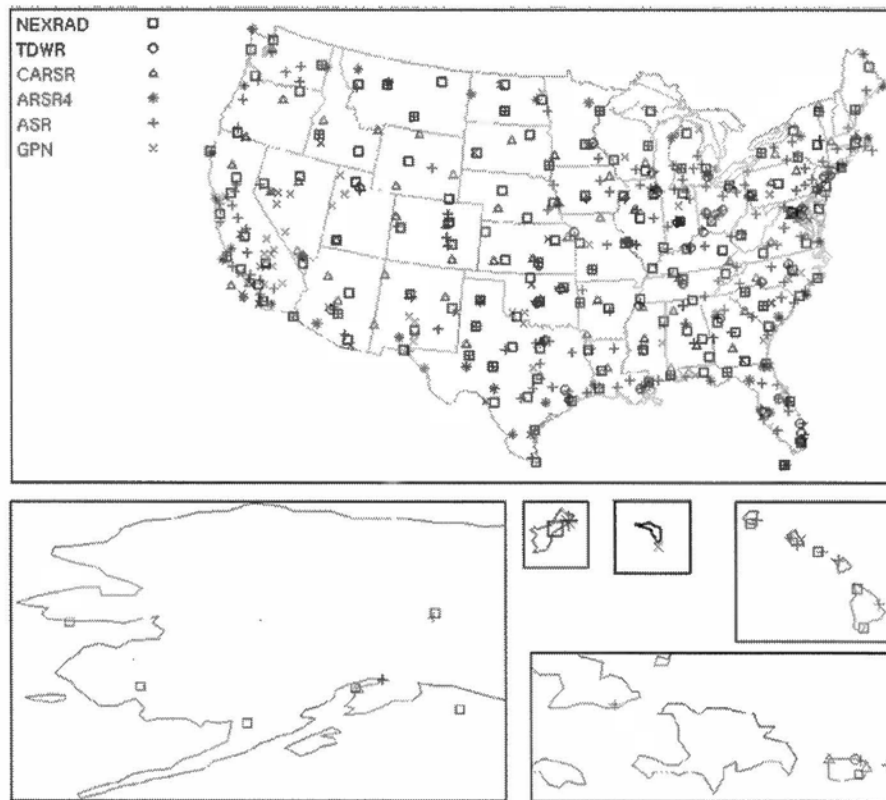
An overview of the geographic location of these legacy surveillance systems is provided in Figure 3<sup>6</sup>. Any potential changes in future radar coverage requirements will be identified as part of the Phase I activities and will be accommodated in subsequent Phase II analysis activities.

In addition, based on analysis work being performed by the National Telecommunications and Information Administration (NTIA), current LRRs spectrum usage contours within the 1300 – 1390 MHz band and potential spectrum usage contours after the LRRs move out of the 1300 – 1390 MHz band is also provided in Figures 4 and 5.

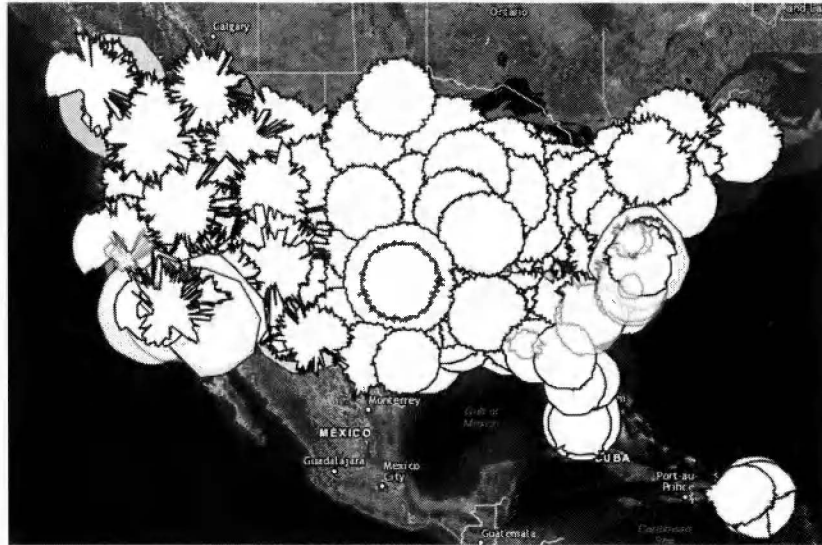
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<sup>6</sup> Revised Multifunction Phased Array Radar (MPAR) Network Siting Analysis, Lincoln Laboratory Massachusetts Institute of Technology, April, 2015

The outcome of the efforts defined in this and the subsequent Phase II Spectrum Pipeline Plan will determine the opportunities to physically and spectrally consolidate radar functions (Figure 6). It is anticipated that ‘stove piped’ radar functions may be combined for a given location, and where these functions are implemented on radars occupying different frequency band, RF spectrum may also be consolidated. For example, in the Oklahoma City, OK region there is an ASR, TDWR, WSR-88D, and a CARSR. Again depending on the eventual solution, the S-band ASR and L-Band CARSR could be consolidated to perform the aircraft surveillance mission, while the C-Band TDWR and S-Band WSR-88D are consolidated to perform the weather mission; or all missions and spectrum could be consolidated further into one system if that is determined to be the preferred implementation approach.



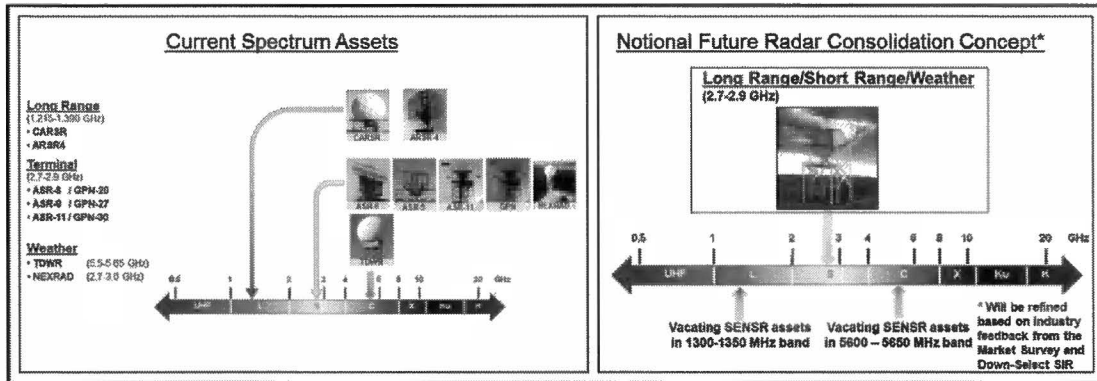
**Figure 3. Location of legacy radars in the CONUS, Alaska, Kwajalein, Hawaii, and Puerto Rico/U.S Virgin Islands/Guantanamo Bay**



**Figure 4. Current LRRs Spectrum Usage Contours in the 1300 – 1390 MHz band (as of July, 2016)**



**Figure 5. Potential LRR Spectrum Usage Contours when moved out of the 1300 – 1390 MHz band (as of July, 2016)**



**Figure 6. Notional radar consolidation for improved Efficiency of Spectrum Use**

### 2.1.2 Cross-Agency Surveillance CONOPS

A Concept of Operations (CONOPS) for a multi-agency surveillance capability will be developed to capture key mission performance needs, and to define interoperability in the context of optimal use of radar resources to best meet critical mission needs of all agencies using the radar. The CONOPS will describe how a set of capabilities, from the user's perspective, will operate to achieve the desired objectives of the capability to be implemented. Realistic operational scenarios will illustrate how the radar capability will be applied to meet the various missions. This may lead to inclusion of additional performance requirements beyond the legacy baseline. To the extent possible, elements of existing surveillance CONOPS such as the 2011 Next Generation Air Transportation System (NextGen) Joint Planning and Development Office Integrated Surveillance CONOPS and the 2015 NextGen Surveillance and Weather Radar Capability CONOPS will be incorporated.

Each agency will independently define their mission needs and CONOPS scenarios prior to integration into the cross-agency document. As with the development of the performance requirements, the GET will assess the missions and scenarios and make recommendations to the Government Team for consideration. For example, it would not be appropriate to describe a scenario where a tornado and a commercial aircraft on final approach occupy the same geographical airspace, as such a situation would almost certainly never occur.

Mission needs that are anticipated to be defined in the CONOPS are:

- Cooperative commercial air traffic arrival/departure
- Non-cooperative aircraft incursions (including unmanned aircraft)
- Wind-turbine clutter mitigation
- En route surveillance (cooperative and non-cooperative)
- Non-cooperative U.S. border incursion
- Terminal hazardous weather alerts (e.g., gust fronts, microbursts)
- Precipitation discrimination and rainfall accumulation estimation
- Severe and general weather forecasting and alerting

### **2.1.3 Requirements and CONOPS Validation**

Initial operational concepts and surveillance performance requirements defined as either part of the legacy infrastructure, existing or emerging capability shortfalls, or enhanced functionality as a result of technology insertion implemented through the SENSIR program will be validated the Government Team to ensure appropriateness for inclusion in a new national surveillance capability. This validation will be driven by mission need and industry's ability to effectively implement requirements in a timeframe constrained by the Spectrum Pipeline Act auction requirement of July 2024.

As part of the Requirements and CONOPS validation, DoD and DHS will lead a risk assessment of threats to Homeland Defense and Security. The national network of multi-agency sensors, radars, and feeds, identified as the Homeland Air Surveillance (HAS) Baseline System, faces challenges from an array of existing and emerging threats to the homeland. Major components of the HAS Baseline System are likewise key components of the NAS, such as the long range radars. This analysis will update the classified risk assessment associated to both traditional air threats (aircraft, ballistic and cruise missiles) and nontraditional threats (low-RCS air vehicles, sUAS threats, low-slow and high-speed air vehicles) and produce a threat-informed approach towards updating the HAS Baseline within the SENSIR activities. This assessment does not include Missile Defense Agency systems. The objective outcome of the assessment will be to enhance SENSIR capabilities for early detection and successful interception of these types of potential threats, in a radar and non-radar sensor network of systems.

Agency-specific requirements validation processes will be followed and will serve as an initial gate for inclusion in a final validated CONOPS and performance requirements document. Once all requirements are collected, the GET will make recommendations to the Government Team for a final determination as to which requirements will be included. Rejected requirements may still be valid for an individual agency. However, they will not be incorporated in any development and implementation activities performed as part of the broader effort defined in this plan. Spectrum relocation funds may still be eligible to implement eliminated requirements if they are determined to fit within the confines of the spectrum relocation legislation.

### **2.1.4 Request for Information**

Following submission of the Spectrum Pipeline Plan to the Office of Management and Budget (OMB) as part of Phase I activities, the FAA, in collaboration with DoD, DHS, and DOC (NOAA) stakeholders, will issue a Request for Information (RFI) to initiate industry involvement in the Spectrum Pipeline Plan. The RFI will seek industry input on the technical and project execution feasibility of the proposed requirements. To preserve the limited schedule available leading to the spectrum auction in 2024, development and preparation of the RFI must be initiated before the end of fiscal year (FY)16. The participation of stakeholder agencies will depend on the availability of agency resources pending the disbursement of SRF funds by OMB. The formal release of the RFI depends on the Technical Panel review and approval of the Spectrum Pipeline Plan.

The RFI will be the first opportunity to share information from the Spectrum Pipeline Plan with industry. The RFI will serve multiple functions including, but not limited to, industry feedback on the Spectrum Pipeline requirements, feedback on the feasibility to meet overall pipeline plan and spectrum auction date of 2024, and collection of information necessary to generate the Phase I Down-Select Screening Information Request (SIR) and Phase II Spectrum Pipeline Plan. The RFI will also request responses to numerous program execution focused questions on topics below:

- **SENSR Initial Requirements:**
  - Available technologies to meet SENSR program proposed requirements (draft Preliminary Program Requirements (pPR)) and SENSR CONOPS;
  - Identification of pPR requirements that drive performance or technology risk;
  - Technology Readiness Level (TRL) of existing technology to include description of development required to meet program requirements; and
  - Spectrum efficiency and feasibility of operation of the identified pPR requirements within the proposed S-Band.
- **Technology/Requirements Feasibility and Feedback:**
  - Timelines associated with Phase I, Phase II, and Solution Implementation activities;
  - Solution Implementation strategy and risks, to include environmental, site preparation, production, and deployment approaches to meet spectrum auction date of 2024;
  - Solution Implementation qualification approaches and schedule;
  - Solution Implementation manufacturing approaches and production lead-time;
  - Rough Order of Magnitude (ROM) Solution Implementation costs, to include qualification test, per system prime mission equipment, and per site deployment costs; and
  - Potential project risks and mitigations.
- **Phase I Down-Select SIR:**
  - Initial industry input on the competitive procurement, to include potential evaluation criteria; and
  - Down-Select conduct recommendations.
- **Phase II Pipeline Plan:**
  - Phase II test-bed requirements, ROM costs, and recommendations;
  - Phase II Fly-off and Phase II Solution Implementation SIR structure and conduct recommendations; and
  - Recommended Phase II deliverables and progress status framework.

The RFI and Phase I Down-Select SIR will serve to validate the overall project feasibility and obtain industry feedback on the basic structure and program execution. The RFI will provide critical information necessary to generate and execute the Phase I Down-Select SIR. A draft Phase I Down-Select SIR will be coordinated with industry prior to formal release and subsequent source selection. During the RFI and draft Phase I Down-Select SIR, one element of particular focus will be industry review and discussion of the draft pPR to ensure identified requirements can be reasonably met in a competitive environment for the Phase I Down-Select SIR and subsequent Phase II contract awards



and execution. Stakeholder program requirements that are not reasonably achievable or add significant risk to the 2024 auction date goal will be carefully reviewed and adjudicated by stakeholders with the intent that program requirements will be baselined at the Phase I Down-Select SIR.

In addition to obtaining critical industry input on technology available to meet proposed requirements, the RFI will provide crucial information necessary for development of a Phase II Spectrum Pipeline Plan. The Phase II Spectrum Pipeline Plan will be generated utilizing RFI information, which decouples and allows the Phase II Spectrum Pipeline Plan submission, OMB Technical Panel Review, Congressional notification, and funding to be in parallel with the critical path associated with the Phase I Down-Select SIR and subsequent Phase II contract awards and execution.

### **2.1.5 Phase I Down-Select Screening Information Request (SIR)**

A significant portion of the Phase I activity is to develop and execute a competitive Phase I Down-Select SIR (otherwise known as a Request for Proposal). The Down-Select SIR will allow the Government to evaluate and select the most promising technical and management solutions from industry to meet the 2024 spectrum auction date for technology maturation and funding as part of the Phase II Spectrum Pipeline Plan. The execution of the Down-Select SIR, as defined herein, is notional and will be further defined in Phase I activities as part of the RFI and the SIR development and approval process. The Down-Select SIR development will be in parallel with and utilize the RFI. To preserve the limited schedule available leading to spectrum auction in 2024, the Down-Select SIR must start to be prepared at the beginning of FY17. The formal release of the Down-Select SIR will be dependent on the OMB Technical Panel Review and OMB approval of this Spectrum Pipeline Plan, and disbursement of associated funding. As lead agency for this effort, the FAA will serve as the acquisition agent. SENSIR contract actions, to include the Phase I Down-Select SIR, and the Phase II Solution Implementation SIR, will follow the FAA Acquisition Management System (AMS).

As part of the RFI activity, the Government will obtain information from industry on those elements that will help define Phase II execution requirements for competitive award(s) under the Down-Select SIR. In parallel with the RFI, the Government Team will draft the Phase I Down-Select SIR to include the model contract and source-selection evaluation criteria that will be utilized to conduct the competitive Phase I Down-Select. A draft Phase I Down-Select SIR will be provided to industry for review and comment. In addition, one-on-one discussions will be held with industry to ensure a collaborative interchange for the Government to select the best value technical solution award(s) for Phase II execution. The FAA Source Selection Official will execute the Phase I Down-Select SIR per AMS guidance.

The Phase I Down-Select SIR will include Phase II execution requirements, which will include test-bed requirements and location (test-bed location(s) will be determined following RFI and draft SIR discussions with industry); Phase II deliverables and status reviews; Fly-off test plans, procedures, and report requirements; and the Phase II Solution

Implementation SIR structure and conduct framework. The Phase I Down-Select SIR will ensure optimum use of Phase II funding as well as industry and government resources focused on those solutions that will optimize spectrum usage efficiency. It will also meet the diverse missions of the participating stakeholders while providing the best likelihood of meeting the 2024 spectrum auction date. During the RFI and draft Down-Select SIR, one element of particular focus will be industry review and discussion of the pPR to ensure identified requirements can be reasonably met in a competitive environment for the Phase I Down-Select SIR and the Phase II Solution Implementation SIR. The Phase I Down-Select SIR will include Phase II Solution Implementation SIR requirements including the final Program Requirements (fPR) as well as the feasibility of Solution Implementation/transition plans from industry. A more detailed Phase II execution and SIR structure will be provided as part of the Phase II Spectrum Pipeline Plan submission.

FAA acquisition policy will be reviewed to determine the appropriate tailoring of AMS milestones for acquisition execution of SENSR. FAA AMS milestones supporting the Phase I Down-Select SIR contract award(s) and SENSR Solution Implementation contract award and their interrelationship with the Commercial Spectrum Enhancement Act decisions and milestones will be assessed and further defined as part of the Phase II Spectrum Pipeline Plan submission. FAA AMS acquisition milestones will be assumed to be accomplished outside of the Spectrum Pipeline Plan schedule critical path in order to preserve the limited schedule available leading to spectrum auction in 2024. Stakeholder organizations may have acquisition milestones that are also outside the SENSR critical path. These stakeholder acquisition milestones will be assessed and further defined as part of the Phase II Spectrum Pipeline Plan submission.

### **2.1.6 Engineering and Evaluation**

Specific technical engineering activities and proof-of-concept evaluations will reduce technical and programmatic risks. They will provide a greater degree of confidence that more extensive analysis, development, and demonstrations are appropriate and worthy of greater investment.

#### **2.1.6.1 Performance Requirements Refinement**

Lessons learned from past advanced radar acquisition programs identify the importance of thorough and logical requirements definition. Past industry outreach has suggested certain radar performance requirements add complexity to a radar design, as well as cause extended production and deployment timeframes. As a result of industry feedback from the RFI, the GET will identify trades in performance requirements where certain requirements may be relaxed or removed if it can be determined that overall agency-specific missions are enhanced as a result of the deployment of the SENSR capability. Requirements may also be defined as modular pre-planned product improvements such that an initial baseline of performance is fielded at the start of deployment, with additional 'add-on' functions implemented later or on select systems (e.g., anti-jamming countermeasures on boarder surveillance radars).



### **2.1.6.2 Analysis of Spectrum Use Efficiency**

A principal objective to a new surveillance capability is to improve the efficiency and effectiveness of spectrum use. Research will be pursued to determine whether radar missions that are currently spread across multiple spectrum bands can be consolidated into one and whether the total spectrum footprint can be reduced. Multiple system architectures and deployment scenarios will be studied.

Given the high value of spectrum bandwidth, ways to reduce the network spectrum footprint will also be researched. In determining the overall efficiency gains of the list below, performance requirements can be levied against a solution provider such that greater efficiencies are achieved.

- Adaptive and coordinated waveform transmission and scanning
- Antenna sidelobe nulling
- Weather observation interference tolerance
- Intra/inter radar interference tolerances

In conjunction with the analysis of spectrum use efficiency above, a spectrum impact assessment study will also be conducted which will include assessments of the amount of spectrum required and candidate frequency bands for spectrum reallocation as well as identifying and mitigating issues associated with the protection of existing users (within or adjacent to the candidate bands).

### **2.1.6.3 Mission-Specific Research and Development**

The potential application of new radar technologies to address agency specific mission needs requires additional risk reduction R&D to assess and validate performance requirements. Outstanding research questions need to be addressed before agencies can be assured any new radar capability would be capable of meeting their needs.

Specific R&D activities include:

#### Network Analysis and Performance Trades

The performance characteristics of the current radar networks are based on the ability of an individual radar to meet the functional requirements of its agency mission. A more densely populated network of multifunction radars could perhaps achieve the same nationwide (or regional) performance with less capable radars if they are working cooperatively to meet the functional requirements of the system/network. This dense network approach may also improve operational missions during congested traffic areas/periods with widespread convective severe weather scenarios that might otherwise result in load-shedding or other disadvantageous results for individual radars. Furthermore, new radar technology differs significantly from rotating dish antennas that are currently used by the national radar programs. In particular, PAR technologies offer faster updates, adaptive scanning techniques, advanced waveforms, and digital beamforming that could potentially improve the operational performance of aircraft detection and weather surveillance radars. Further R&D is necessary to determine the best methods of employing these more advanced technologies to the benefit of the overall

mission requirements. The output of this analysis will lead to a refined fPR that would be the basis of radar capabilities to be implemented.

#### Polarimetric Performance and Calibration

Dual-linear polarization (Dual-Pol) has been deployed on operational weather radars to improve precipitation estimates and provide discrimination of hydrometeor types (rain, snow, hail, etc.). Dual-Pol also improves data quality through the identification of non-weather targets such as birds, insects, ground clutter, and tornado debris, and it may help detect and characterize unmanned aircraft system targets. However, Dual-Pol capability sufficient for weather surveillance has not yet been fully demonstrated using PAR technology. The performance and calibration of Dual-Pol PAR technologies requires further investigation to ensure compliance with weather surveillance requirements. Techniques such as phase-coding waveforms and innovative pulse transmission schemes will be assessed to determine whether they satisfactorily mitigate Dual-Pol implementation risks and provide necessary output data quality. These results will influence fPR, as well as operating procedures and techniques that can be transferred to industry after Solution Implementation activities commence.

#### Advanced Technology Demonstrator (ATD) Applications

The FAA and DOC (NOAA) are also in the midst of developing a mid-scale Dual-Pol Multifunction Phased Array Radar ATD that should be capable of demonstrating simultaneous aircraft detection and weather surveillance functions. The ATD supports a variety of other follow-on investigations relevant to the SENSR initiative. The initial operating capability of the ATD in 2018 will be rudimentary. By applying additional resources to this program, operational demonstrations of individual and combined agency mission requirements can be accelerated which will influence the development of the Phase I Down-Select SIR and the resulting solutions delivered by industry.

#### Command and Control Simulator

Current single-function radars are dedicated to performing their individual mission. A multifunction radar will require a Command and Control structure to share resources among the various functions for aircraft navigation, weather surveillance, and national defense/homeland security missions. In high-load scenarios with high air traffic capacity and extensive coverage of severe weather, there may be competition for radar resources to meet all performance requirements for the various missions. In extreme cases, the radar may need to shed target load in some mission areas. Exactly how the various functions will share the radar resources and potentially shed missions will need to be carefully considered. The development of a Command and Control simulator will allow the agencies to test various CONOPS scenarios and will lead to governance/policy functionality to be implemented. Governance/Policy descriptions will be provided to industry for implementation within the context of defined fPR.

#### Adjunct Processing

Many existing radar solutions developed for mission-specific applications do not include the functionality for weather radar processing. A demonstration of the ability to create weather products suitable for aircraft control purposes from a surrogate replacement radar

is proposed through the implementation of an adjunct weather processor. This effort will demonstrate weather processing using terminal surveillance radar type scans as well as potentially, TDWR products. The surrogate radar will be a flexible, single-face S-band phased array that can be programmed to execute a near-infinite variety of radar scans and which can be used to evaluate simultaneous terminal and en route air surveillance and FAA weather processing. This study will demonstrate weather capabilities of a potential replacement radar that was not designed with weather detection capabilities in mind, extending the potential “off-the-shelf” radars that could potentially be considered for Solution Implementation.

#### Small Unmanned Aircraft System (sUAS) Risk Assessment

This task will produce a collision risk estimate and cost impact associated with non-cooperative sUAS operations in the airport terminal environment to help inform future radar requirements for UAS management in the NAS. This analysis will estimate the potential safety shortfall associated with the lack of radar ability to detect non-cooperative reduced radar cross section (RCS) aircraft, particularly UAS, by projecting the number of midair collisions involving reduced RCS that will occur within the analysis period. The introduction of reduced RCS UAS into the same airspace as manned aircraft is a relatively recent development, and the FAA is still developing the regulations and procedures required for full integration of UAS into the NAS. While there have been incidents involving close encounters between commercial aircraft and unidentified UAS both in the NAS and abroad, there have fortunately been no reported accidents where a collision has occurred. Nonetheless, this is an emerging shortfall as UAS integration becomes more widespread and the number of reduced RCS aircraft operating in the NAS increases.

## **2.2 Schedule**

The high-level SENSR Spectrum Pipeline Plan schedule (seen in Figure 7) was developed to validate the overall execution feasibility in support of the 2024 spectrum auction date based on the information and execution assumptions available today. A more detailed schedule is located in Appendix A. It is clear that, while the schedule is feasible, it is aggressive and will require a high performing and dynamic Government Team as well as creative government/industry collaborative solutions to support the 2024 spectrum auction date. The schedule was developed with input from subject matter experts across all program acquisition functional areas and life-cycle management, including collaboration with DoD, DHS, and DOC (NOAA) stakeholders. The Spectrum Pipeline Plan schedule also includes inputs from historically analogous multiservice acquisitions to ensure that identified schedule challenges were considered as part of the overall schedule build-up and feasibility assessment. The Spectrum Pipeline Plan schedule also includes Engineering, Acquisition, Solution Implementation, and Commercial Spectrum Enhancement Act policy decisions, and milestones policy “swim lanes” to provide correlation of related schedule activities and interdependencies.

The Spectrum Pipeline Plan schedule uses the FAA AMS including the FAA Work Breakdown Structure (WBS) as the framework to ensure appropriate program execution elements were considered. The schedule includes more detail on the near-term Phase I

activities than on the Phase II activities. Additional schedule detail will be added as more information from industry is obtained throughout the Phase I and Phase II activities.

Some noted schedule challenges are as follows:

- Multiple cross-organizational stakeholders will require establishment of a Government Team that will ensure adequate participation throughout program execution and, in particular, during SIR generation and source selection execution.
- Significant effort and lead-time will be required for deployment of the SENSIR system, which includes environmental, site survey, construction, installation, and checkout that will have to be conducted in parallel with other Solution Implementation activities.
- The Government will seek industry input to include possible innovative deployment solutions and opportunities for schedule savings.
- NTIA discussions with the telecommunication industry are essential to understand what maximizes value of spectrum auction as well as spectrum rollout time frame and available trade space.
- There is likely significant value in incentivizing industry as part of Phase II to address and mitigate SENSIR Solution Implementation risk elements.
- The Government will need to manage carefully the schedule associated with SIR development and source selections; these schedule elements are in the critical path and must be performed flawlessly to meet auction date timeline.
- The SENSIR Phase II Pipeline Plan submission is based on the Phase I RFI and not the Phase I Down-Select SIR decision.

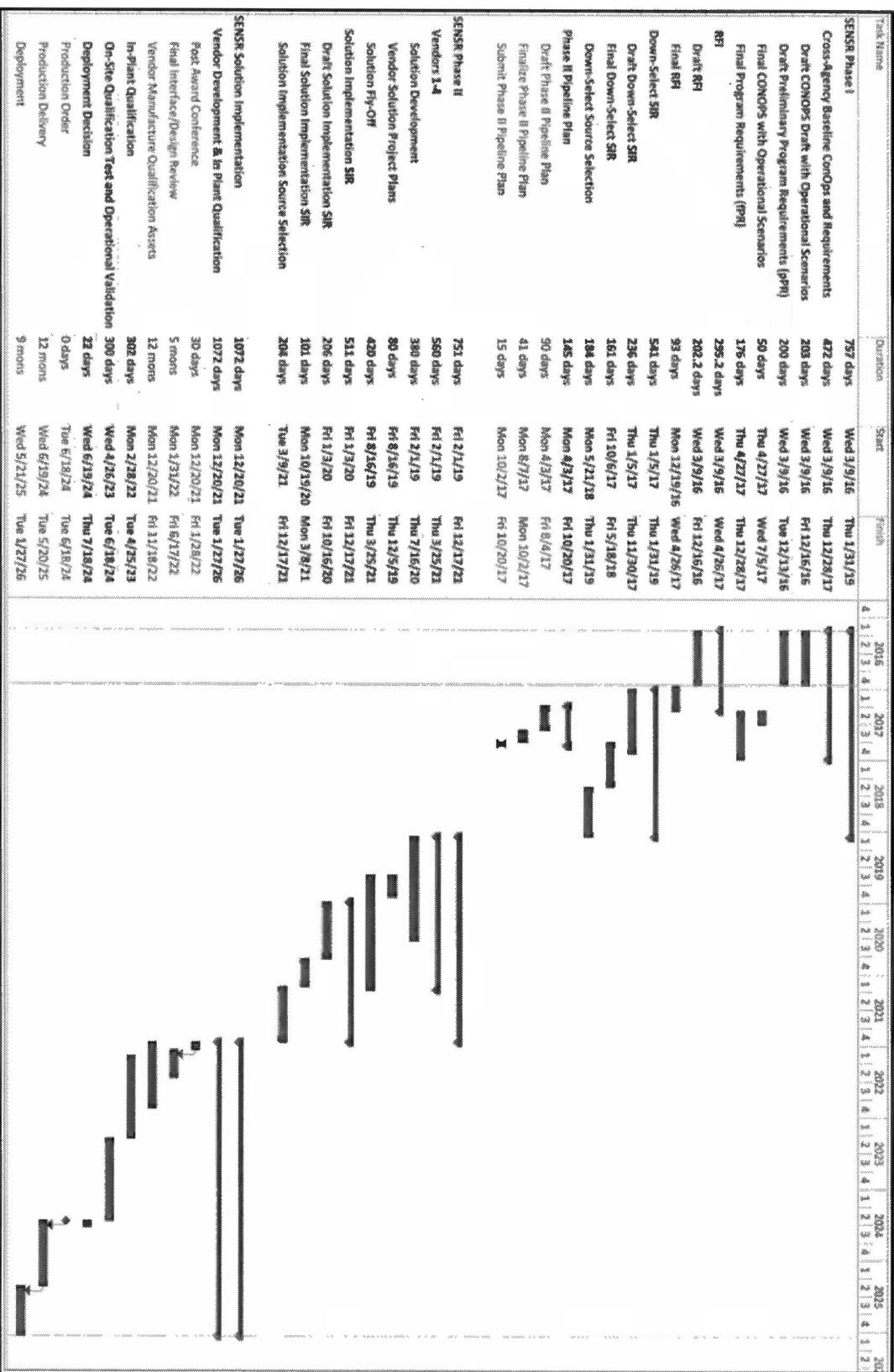


Figure 7. High-Level Schedule

### **2.3 Expected Outputs**

At the conclusion of Phase I, the following outputs are expected to be completed:

- A baseline set of initial cross-agency performance requirements as well as an associated cross-agency Surveillance CONOPs will be defined. These will be used as inputs into a follow-on RFI to industry.
- A RFI will be issued to industry to seek their input on the technical and project execution feasibility of the initial cross-agency performance requirements as well as feedback on the feasibility to meet the overall Pipeline Plan activities to include the anticipated spectrum auction date of 2024.
- Based on industry information generated from the RFI, a subsequent Phase I Down-Select SIR will be released to industry. The Down-Select SIR will allow the Government to evaluate and select the most promising technical and management solutions from industry to meet the anticipated 2024 spectrum auction date and will provide the basis for the Phase II Solution Implementation SIR.
- Several engineering and evaluation activities will be conducted including, but not limited to, performance requirements refinement, analysis of spectrum use efficiency, and mission-specific research and development.
- A cross-agency MOA as well as associated Government Team will be defined to ensure effective execution of all planned Pipeline Plan activities.
- Based on the elements above, a Phase II Spectrum Pipeline Plan will be generated and will describe activities that are focused on maturing the proposed industry solutions into a single viable and well-planned investment program that is ready for Solution Implementation. The Phase II Spectrum Pipeline Plan will be submitted to the Technical Panel in support of an SRF transfer request for the planned Phase II activities.



### **3. PHASE II**

Following the Phase I Down-Select SIR source selection and Phase II award(s), the SENSIR program will enter into Phase II. Phase II will fund multiple industry solutions with the primary focus being the maturation of the technologies to ensure that the SENSIR is viable and executable with minimal risk to meet the 2024 Spectrum auction date. Under Phase II, the vendors will be funded to mature their respective technology solutions. The Government will monitor progress and conduct technical reviews with the vendors to discuss technical or program issues requiring attention. The vendors will be required to submit deliverables including, but not limited to, technical reports and studies focused on Solution Implementation performance risk areas (e.g., anticipated fPR specification compliance, spectrum use analysis, implementation plans, and proposed test qualification plans). This information will be used by the Government to generate the Phase II Solution Implementation SIR, which will be conducted at the end of Phase II. The technical reports and studies will serve as a significant foundation for each of the vendors' technical proposals.

Test-bed preparation activities will be initiated to ensure the necessary infrastructure is in place to support vendor solution development and Fly-off. This will include planning and coordination; identification of test-bed location(s); environmental assessments; and power and communications analyses necessary to establish test-beds in support of Phase II activities.

Phase II will also focus on information gathering and assessment of program risk areas and schedule challenges in order to develop the Phase II Solution Implementation SIR and subsequent contract execution details for mitigating risks to meeting the 2024 auction. The anticipated risk areas, which will be addressed in the Phase II Solution Implementation SIR and SENSIR Solution Implementation-Transition Plan, are listed below.

- Significant effort and lead-time will be required for deployment of SENSIR. Deployment plans will include environmental studies, site surveys, construction, installation, and checkout. Deployment planning will likely have to be conducted in parallel with other Solution Implementation activities.
- Industry input to include possible innovative deployment solutions and opportunities for schedule savings.
- Understanding factors that maximize value of the spectrum auction as well as spectrum rollout time frame and available trade space.

The Phase II Solution Implementation SIR will be conducted at the end of Phase II to enable the Government to evaluate and select the best value technical and management solution to meet the 2024 Spectrum auction date. The detailed execution of the Phase II Solution Implementation SIR is notional and will be further defined as part of the Phase II activities and SIR development and approval process. The Phase II Solution Implementation SIR development will include draft Phase II Solution Implementation SIR release and discussions with industry and subsequent source selection. FAA will serve as the acquisition agency and follow the FAA AMS policy with the stakeholder organizations serving on the source selection evaluation board. FAA acquisition policy will be reviewed to determine the appropriate tailoring of AMS milestones for acquisition execution of SENSIR. FAA AMS milestones will be assessed and further defined as part of the Phase II Spectrum Pipeline Plan submission. It is anticipated that FAA AMS

milestones will be accomplished outside of the SENSr schedule critical path in order to preserve the limited schedule available leading to spectrum auction in 2024. It is assumed that the other stakeholder organizations will have similar policy milestones and these milestones are also assumed to be outside the SENSr critical path. These stakeholder policy milestones will be assessed and further defined as part of the Phase II Spectrum Pipeline Plan submission.

A SENSr Solution Implementation-Transition Plan will be generated based on input from the Phase II activities including proposal information from the Phase II Solution Implementation SIR. The SENSr Solution Implementation-Transition Plan will be submitted for Technical Panel Review and OMB approval including Congressional notification prior to SENSr Solution Implementation contract award. The timing for approval of the SENSr Solution Implementation-Transition Plan and availability of OMB funding to support the Solution Implementation contract award and execution is in the SENSr schedule critical path and requires further discussion to define limitations on SRF funding of Solution Implementation activities prior to actual spectrum auction.



## **4. SOLUTION IMPLEMENTATION**

Following the SENSr Solution Implementation-Transition Plan OMB approval and SENSr Solution Implementation contract award, the Government and SENSr vendor will enter the production and deployment phase. The key execution elements during this phase include the vendor completing any remaining technical solution development, preparing for and performing vendor qualification, Government conduct of operational validation, production order, manufacturing, delivery, and ultimately solution deployment. While these generic steps are anticipated to be performed regardless of the specific technology chosen by the Government, the detailed execution of these elements could vary significantly. In fact, the acquisition and contract approach chosen for the Phase II Solution Implementation SIR could also affect the detailed execution elements. Regardless of these variations, certain basic execution elements will be performed.

Following Solution Implementation contract award, the vendor will complete any remaining development work required prior to conduct of qualification testing. Any remaining development will be primarily focused on finalizing the interface with the Government equipment utilizing the SENSr surveillance and weather data. In conjunction with a final design review, the vendor will produce the required first article units that will undergo vendor qualification testing. Multiple first articles for vendor test-procedure development, dry runs, and formal testing are anticipated to allow for parallel test activities, which will maximize use of limited schedule leading up to the 2024 auction date. Vendor qualification testing will be performed at the vendor's facility as well as at multiple Government key site locations to validate performance in an operational environment and to validate the unique requirements associated with the multiple missions the SENSr program is required to meet. These missions include the DoD and DHS long-range and border surveillance mission, non-cooperative and cooperative terminal ATC surveillance missions, and the weather detection mission. The exact quantity and mix of required Government key test sites will be determined as part of the Phase II activities.

Upon successful completion of vendor in-plant and key site qualification testing, the Government will perform operational validation testing at the key site facilities. The scope of the operational validation will include elements of vendor qualification deemed by the Government as needing further validation as well as independent validation of key system performance and critical operational parameters. The Government team will include participants from each stakeholder's test organization and a joint operational test report will be generated documenting the results. The details of the Government operational validation testing, including conduct and stakeholder participation, will be discussed and defined during Phase I, refined as part of Phase II activities and documented within a Test Memorandum of Understanding (MOU).

After completion of the vendor qualification and operational validation, the Government will place a production order with the vendor for manufacture and delivery of radar systems to support the 2024 auction date and subsequent SENSr deployment waterfall. The specific details and timing of the production order and manufacturing lead-time could vary significantly depending on the technology and vendor chosen at Solution Implementation contract award. These execution details will be defined within the SENSr Solution Implementation-Transition Plan based on input from Phase II activities and vendor proposals.

At the completion of operational validation, in accordance with the FAA AMS policy, it is anticipated that FAA will determine whether a SENSIR In-Service Decision (ISD) or deployment is appropriate. While the SENSIR ISD may be a Government Team decision, it is expected that each stakeholder organization will have similar policy milestones independent of the FAA. These policy details will be discussed and defined no later than the SENSIR Solution Implementation-Transition Plan submission.

The effort and lead-time required for deployment of SENSIR systems is a significant risk area in meeting the 2024 spectrum auction date. Traditionally, four years can be required to accomplish the deployment activities. The typical activities expected for SENSIR deployment include the following:

- Site selection, including any required real estate acquisition;
- Environment assessment in accordance with National Environmental Policy Act;
- Site design and site activation planning;
- Site preparation and construction;
- System installation, integration, checkout, and cutover;
- Site commissioning; and
- Site deactivation for legacy radar systems.

While these generic steps are applicable for a traditional radar procurement and deployment, the detailed execution could vary significantly depending on the specific technology chosen by the Government, the environmental “foot print” required, and the acquisition and contractual approach chosen for the Phase II Solution Implementation SIR. It is anticipated that site preparation deployment activities will be conducted in parallel with the SENSIR technical solution development, vendor qualification, Government conducted operational validation, production order, and manufacturing activities. The Government will work throughout Phase I and Phase II activities to explore options to address deployment risks in order to support the 2024 spectrum auction date.

A nominal deployment waterfall will be developed during Phase II and submitted as part of the SENSIR Solution Implementation-Transition Plan. A working waterfall schedule will be developed with the SENSIR vendor and in conjunction with the spectrum auction during Solution Implementation. The waterfall deployment schedule will be based on discussions with the telecommunication industry to understand what maximizes the value of spectrum auction including vacated SENSIR spectrum rollout time frame and associated trade space.

In order to support the key site qualification and operational validation activities, the deployment activities identified above must be initiated at select key sites during Phase II, prior to SENSIR Solution Implementation-Transition Plan submission and OMB approval. The costs for these advance key site deployment activities will be included in the cost estimates for Phase II.

Integrated Logistic Support (ILS) for the SENSIR system will be developed and implemented as part of the Solution Implementation phase. It is anticipated that the “normal” ILS elements will

be required to provide cost-effective life-cycle support for the SENSr program to include the following:

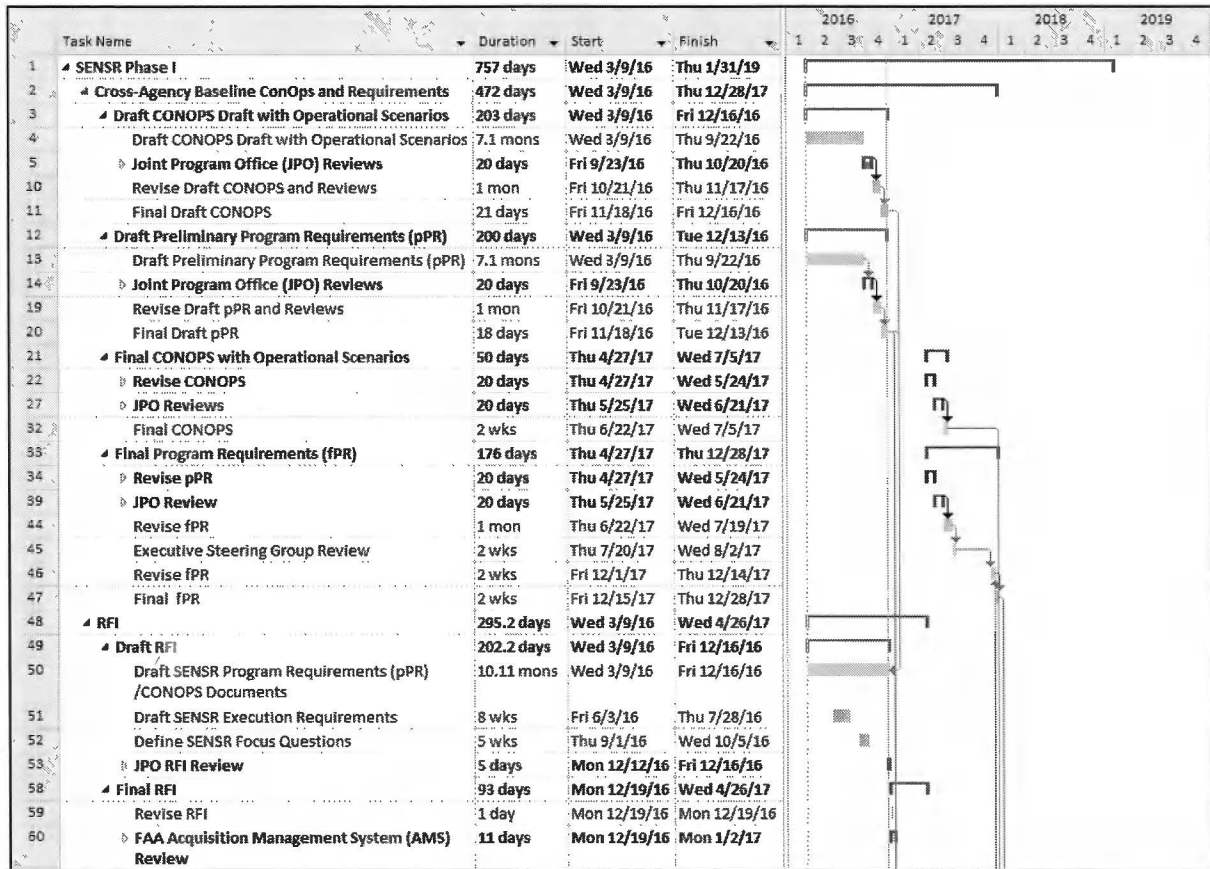
- Workload staffing;
- Supply support, including provisions for interim depot support and organic depot capability;
- Support facilities and equipment to include provisions for Government second-level engineering services and organic depot repair facilities;
- Technical data, to include provisions for Government use rights;
- Training and training support for first-level and second-level repair, including provisions for second-level engineering services and depot-level repair training; and
- Packaging, handling, storage, and transportation.

The detailed execution of these ILS elements could vary depending on the specific technology chosen by the Government and depending on the acquisition and contract approach chosen for the Phase II Solution Implementation SIR. These details will be defined within the Phase II activities and defined as part of the Phase II Solution Implementation SIR.

The Commercial Spectrum Enhancement Act policy decisions and milestones occurring during the SENSr Solution Implementation phase are generically defined. However, how these decisions and milestones specifically fit into the SENSr Solution Implementation schedule will need to be discussed and determined. For example, the Spectrum Transition Plan content and predecessor activities require further discussion as SENSr matures.

## 5. Appendix A - Schedule

In order to provide an overview of all planned activities intended for this effort, a detailed schedule through 2025 is provided below. This schedule information should be considered preliminary and will be refined based on discussions with the Government Team.



# Version 5.0

|   |          |              |              |  | 2016 |   |   |   | 2017 |   |   |   | 2018 |   |   |   | 2019 |   |   |   |
|---|----------|--------------|--------------|--|------|---|---|---|------|---|---|---|------|---|---|---|------|---|---|---|
| Task Name   | Duration | Start        | Finish       |  | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 |
| 64 Release SENSOR RFI   | 1 day    | Tue 1/3/17   | Tue 1/3/17   |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 65 Industry Day   | 3 days   | Thu 1/5/17   | Mon 1/9/17   |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 66 Industry Generate RFI Responses  | 51 days  | Wed 1/4/17   | Wed 3/15/17  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 67 Vendor Meetings  | 6 wks    | Thu 3/16/17  | Wed 4/26/17  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 68 <b>Down-Select SIR</b>   | 541 days | Thu 1/5/17   | Thu 1/31/19  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 69 <b>Draft Down-Select SIR</b>   | 236 days | Thu 1/5/17   | Thu 11/30/17 |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 70 Draft Down-Select Model Contract/<br>SOW/Specification/CDRLs/DIDs        | 6 mons   | Thu 1/5/17   | Wed 6/21/17  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 71 <b>JPO Review Down-Select SIR</b>  | 20 days  | Thu 6/22/17  | Wed 7/19/17  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 76 Revise Draft Down-Select Model Contract/<br>SOW/Specification/CDRLs/DIDs | 2 wks    | Thu 7/20/17  | Wed 8/2/17   |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 77 <b>FAA AMS Review</b>  | 25 days  | Thu 8/3/17   | Wed 9/6/17   |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 81 Release Draft SENSOR Down-Select SIR                                     | 1 day    | Thu 9/7/17   | Thu 9/7/17   |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 82 Industry Generate Down-Select SIR Responses                              | 1 mon    | Fri 9/8/17   | Thu 10/5/17  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 83 Vendor Meetings  | 2 mons   | Fri 10/6/17  | Thu 11/30/17 |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 84 <b>Final Down-Select SIR</b>   | 161 days | Fri 10/6/17  | Fri 5/18/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 85 Final Down-Select<br>SOW/Specification/CDRLs/DIDs                        | 1 mon    | Fri 12/29/17 | Thu 1/25/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 86 <b>Joint Program Office Review</b>                                       | 20 days  | Fri 1/26/18  | Thu 2/22/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 91 Revise Down-Select Model Contract/<br>SOW/Specification/CDRLs/DIDs       | 4 wks    | Fri 2/23/18  | Thu 3/22/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 92 Executive Steering Group Review  | 2 wks    | Fri 3/23/18  | Thu 4/5/18   |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 93 Final Down-Select<br>SOW/Specification/CDRLs/DIDs                        | 5 days   | Fri 4/6/18   | Thu 4/12/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 94 <b>FAA AMS Review</b>  | 160 days | Fri 10/6/17  | Thu 5/17/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 103 Release SENSOR Down-Select SIR  | 1 day    | Fri 5/18/18  | Fri 5/18/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 104 <b>Down-Select Source Selection Plans</b>                               | 65 days  | Fri 12/29/17 | Thu 3/29/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 109 <b>Down-Select Source Selection</b>                                     | 184 days | Mon 5/21/18  | Thu 1/31/19  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 110 Vendors Submit Proposals  | 42 days  | Mon 5/21/18  | Tue 7/17/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 111 <b>Proposal Evaluation</b>  | 133 days | Mon 7/9/18   | Wed 1/9/19   |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 112 Evaluation Team Training  | 2 days   | Mon 7/9/18   | Tue 7/10/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 113 Compliance Check  | 1 day    | Wed 7/18/18  | Wed 7/18/18  |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 114 <b>Technical Evaluation</b>   | 197 days | Wed 7/18/18  | Thu 12/13/18 |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 115 <b>Technical Proposal Review</b>  | 96 days  | Wed 7/18/18  | Wed 11/28/18 |  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |

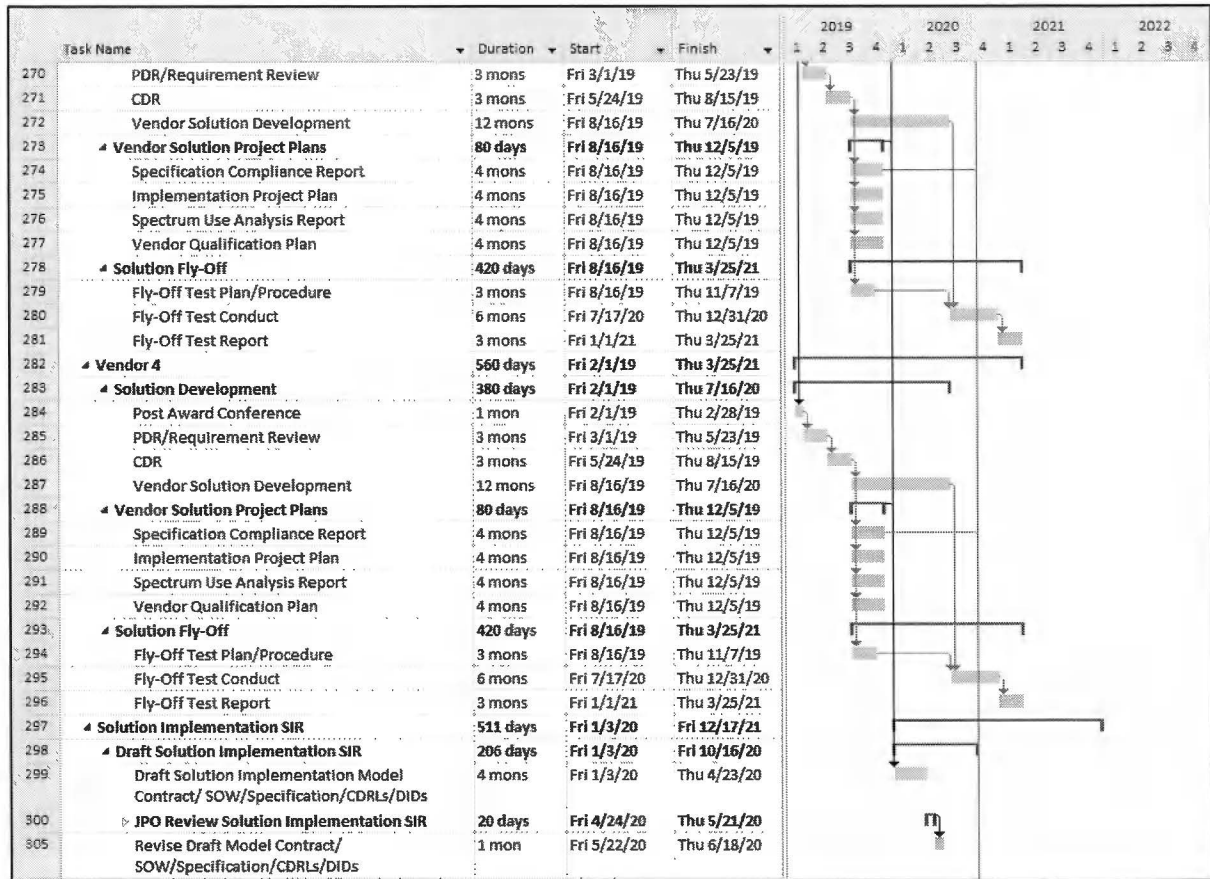
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|           |                                     |          |              |              | 2017    |  |  |  | 2018    |  |  |  | 2019    |  |  |  | 2020    |  |  |  |
|-----------|-------------------------------------|----------|--------------|--------------|---------|--|--|--|---------|--|--|--|---------|--|--|--|---------|--|--|--|
| Task Name |                                     |          |              |              | 1 2 3 4 |  |  |  | 1 2 3 4 |  |  |  | 1 2 3 4 |  |  |  | 1 2 3 4 |  |  |  |
| 116       | ▶ Proposal #1                       | 24 days  | Wed 7/18/18  | Mon 8/20/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 135       | ▶ Proposal #2                       | 24 days  | Tue 8/21/18  | Fri 9/21/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 154       | ▶ Proposal #3                       | 24 days  | Mon 9/24/18  | Thu 10/25/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 173       | ▶ Proposal #4                       | 24 days  | Fri 10/26/18 | Wed 11/28/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 192       | Technical Evaluation Report         | 2 wks    | Thu 11/29/18 | Wed 12/12/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 193       | Technical Evaluation Complete       | 1 day    | Thu 12/13/18 | Thu 12/13/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 194       | ▲ Price Evaluation                  | 100 days | Thu 7/19/18  | Wed 12/5/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 195       | ▶ Proposal #1                       | 26 days  | Thu 7/19/18  | Thu 8/23/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 199       | ▶ Proposal #2                       | 21 days  | Fri 8/24/18  | Fri 9/21/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 203       | ▶ Proposal #3                       | 21 days  | Mon 9/24/18  | Mon 10/22/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 207       | ▶ Proposal #4                       | 21 days  | Tue 10/23/18 | Tue 11/20/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 211       | Price Evaluation Report             | 2 wks    | Wed 11/21/18 | Tue 12/4/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 212       | Price Evaluation Complete           | 1 day    | Wed 12/5/18  | Wed 12/5/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 213       | ▲ Past Performance Review           | 25 days  | Wed 7/18/18  | Tue 8/21/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 214       | Past Performance Review             | 10 days  | Wed 7/18/18  | Tue 7/31/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 215       | Past Performance Evaluation Report  | 3 wks    | Wed 8/1/18   | Tue 8/21/18  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 216       | Contracts Review                    | 2 wks    | Thu 11/29/18 | Wed 12/12/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 217       | Legal Review                        | 1 mon    | Thu 12/13/18 | Wed 1/9/19   |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 218       | ▲ SSO Process                       | 14 days  | Thu 12/13/18 | Tue 1/1/19   |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 219       | Develop Source Evaluation Report    | 2 wks    | Thu 12/13/18 | Wed 12/26/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 220       | Develop Decision Memo               | 2 days   | Thu 12/27/18 | Fri 12/28/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 221       | SET to Brief SSO on Final Results   | 1 day    | Mon 12/31/18 | Mon 12/31/18 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 222       | SSO Delivers Decision Memo          | 1 day    | Tue 1/1/19   | Tue 1/1/19   |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 223       | ▶ FAA AMS Process                   | 141 days | Wed 7/18/18  | Wed 1/30/19  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 230       | Down-Select/Phase II Contract Award | 1 day    | Thu 1/31/19  | Thu 1/31/19  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 231       | ▲ Phase II Pipeline Plan            | 145 days | Mon 4/3/17   | Fri 10/20/17 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 232       | Draft Phase II Pipeline Plan        | 90 days  | Mon 4/3/17   | Fri 8/4/17   |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 233       | Finalize Phase II Pipeline Plan     | 41 days  | Mon 8/7/17   | Mon 10/2/17  |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 234       | Submit Phase II Pipeline Plan       | 15 days  | Mon 10/2/17  | Fri 10/20/17 |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |
| 235       |                                     |          |              |              |         |  |  |  |         |  |  |  |         |  |  |  |         |  |  |  |

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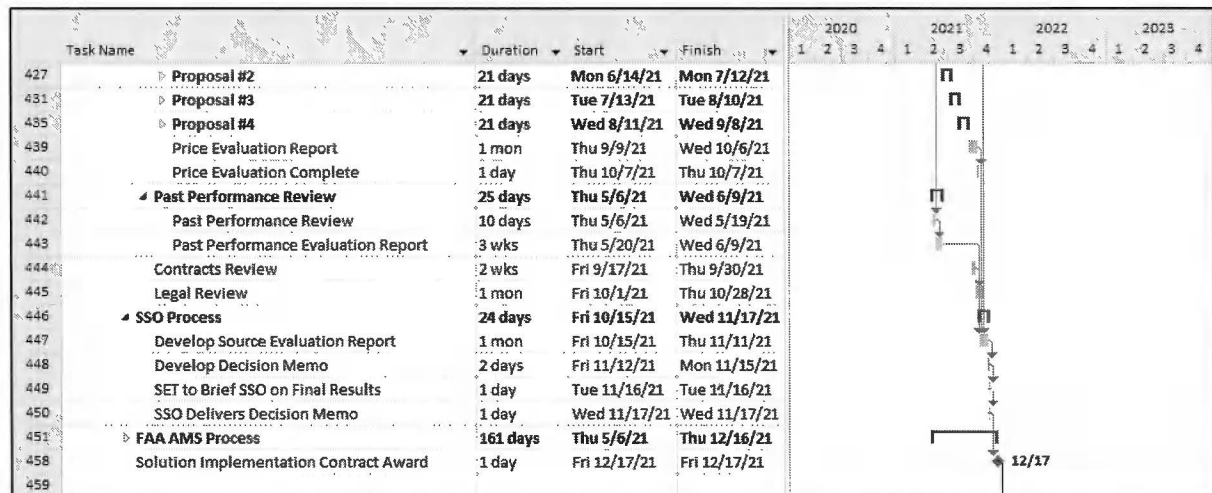
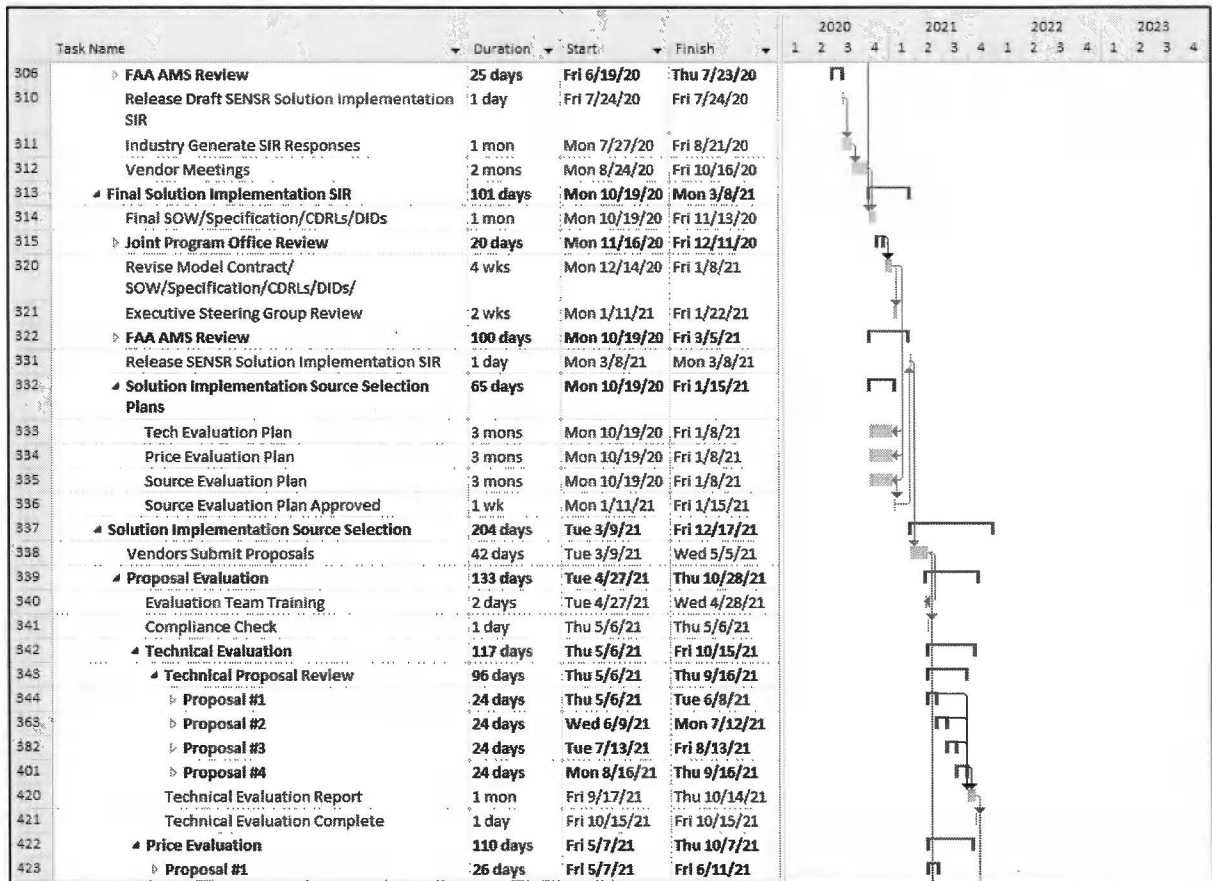
| Task Name                                | Duration        | Start              | Finish              | 2019 |   |   |   | 2020 |   |   |   | 2021 |   |   |   | 2022 |   |   |   |
|--|-----------------|--------------------|---------------------|------|---|---|---|------|---|---|---|------|---|---|---|------|---|---|---|
|  |                 |                    |                     | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 | 1    | 2 | 3 | 4 |
| 236 <b>SENSR Phase II</b>                | <b>751 days</b> | <b>Fri 2/1/19</b>  | <b>Fri 12/17/21</b> |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 237 <b>Vendor 1</b>                      | <b>560 days</b> | <b>Fri 2/1/19</b>  | <b>Thu 3/25/21</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 238 <b>Solution Development</b>          | <b>380 days</b> | <b>Fri 2/1/19</b>  | <b>Thu 7/16/20</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 239 Post Award Conference                | 1 mon           | Fri 2/1/19         | Thu 2/28/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 240 PDR/Requirement Review               | 3 mons          | Fri 3/1/19         | Thu 5/23/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 241 CDR                                  | 3 mons          | Fri 5/24/19        | Thu 8/15/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 242 Vendor Solution Development          | 12 mons         | Fri 8/16/19        | Thu 7/16/20         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 243 <b>Vendor Solution Project Plans</b> | <b>80 days</b>  | <b>Fri 8/16/19</b> | <b>Thu 12/5/19</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 244 Specification Compliance Report      | 4 mons          | Fri 8/16/19        | Thu 12/5/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 245 Implementation Project Plan          | 4 mons          | Fri 8/16/19        | Thu 12/5/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 246 Spectrum Use Analysis Report         | 4 mons          | Fri 8/16/19        | Thu 12/5/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 247 Vendor Qualification Plan            | 4 mons          | Fri 8/16/19        | Thu 12/5/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 248 <b>Solution Fly-Off</b>              | <b>420 days</b> | <b>Fri 8/16/19</b> | <b>Thu 3/25/21</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 249 Fly-Off Test Plan/Procedure          | 3 mons          | Fri 8/16/19        | Thu 11/7/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 250 Fly-Off Test Conduct                 | 6 mons          | Fri 7/17/20        | Thu 12/31/20        |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 251 Fly-Off Test Report                  | 3 mons          | Fri 1/1/21         | Thu 3/25/21         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 252 <b>Vendor 2</b>                      | <b>560 days</b> | <b>Fri 2/1/19</b>  | <b>Thu 3/25/21</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 253 <b>Solution Development</b>          | <b>380 days</b> | <b>Fri 2/1/19</b>  | <b>Thu 7/16/20</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 254 Post Award Conference                | 1 mon           | Fri 2/1/19         | Thu 2/28/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 255 PDR/Requirement Review               | 3 mons          | Fri 3/1/19         | Thu 5/23/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 256 CDR                                  | 3 mons          | Fri 5/24/19        | Thu 8/15/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 257 Vendor Solution Development          | 12 mons         | Fri 8/16/19        | Thu 7/16/20         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 258 <b>Vendor Solution Project Plans</b> | <b>80 days</b>  | <b>Fri 8/16/19</b> | <b>Thu 12/5/19</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 259 Specification Compliance Report      | 4 mons          | Fri 8/16/19        | Thu 12/5/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 260 Implementation Project Plan          | 4 mons          | Fri 8/16/19        | Thu 12/5/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 261 Spectrum Use Analysis Report         | 4 mons          | Fri 8/16/19        | Thu 12/5/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 262 Vendor Qualification Plan            | 4 mons          | Fri 8/16/19        | Thu 12/5/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 263 <b>Solution Fly-Off</b>              | <b>420 days</b> | <b>Fri 8/16/19</b> | <b>Thu 3/25/21</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 264 Fly-Off Test Plan/Procedure          | 3 mons          | Fri 8/16/19        | Thu 11/7/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 265 Fly-Off Test Conduct                 | 6 mons          | Fri 7/17/20        | Thu 12/31/20        |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 266 Fly-Off Test Report                  | 3 mons          | Fri 1/1/21         | Thu 3/25/21         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 267 <b>Vendor 3</b>                      | <b>560 days</b> | <b>Fri 2/1/19</b>  | <b>Thu 3/25/21</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 268 <b>Solution Development</b>          | <b>380 days</b> | <b>Fri 2/1/19</b>  | <b>Thu 7/16/20</b>  |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |
| 269 Post Award Conference                | 1 mon           | Fri 2/1/19         | Thu 2/28/19         |      |   |   |   |      |   |   |   |      |   |   |   |      |   |   |   |

# Version 5.0

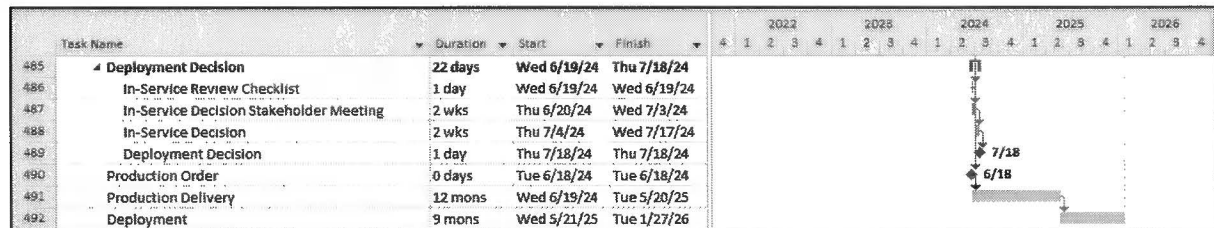
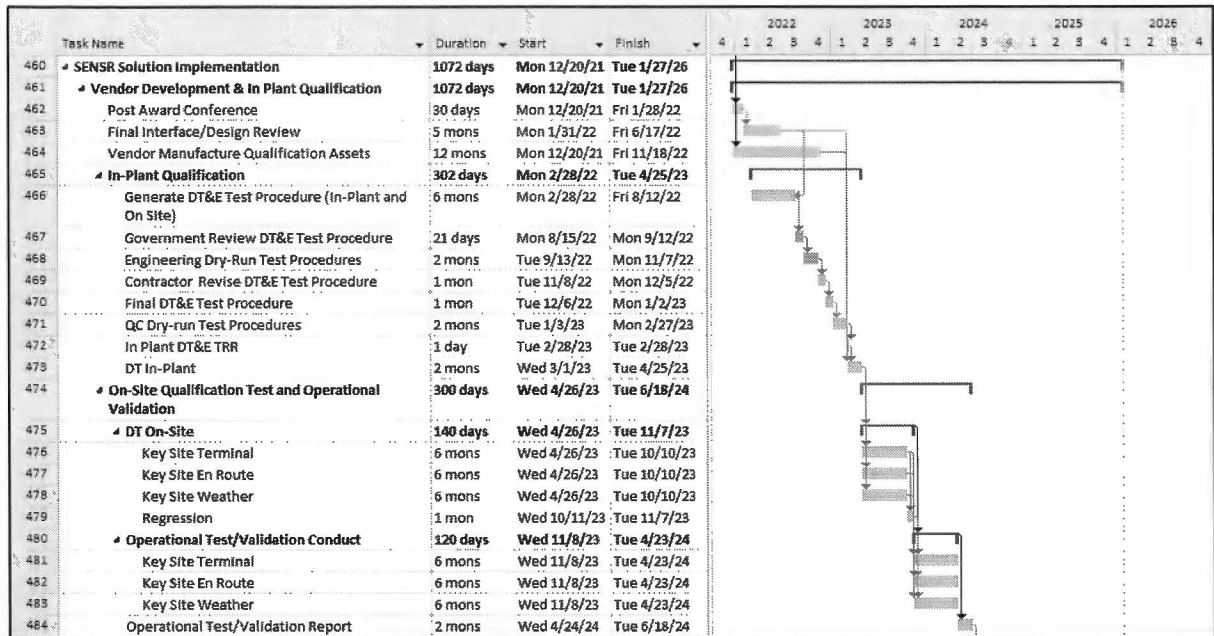




# Version 5.0



# Version 5.0



## 6. Appendix B – Risk

A risk management database will be developed to support a continuous risk assessment process. The FAA will assume the collateral duty as the Risk Manager for this effort. The FAA, in the role of Risk Manager, will maintain the risk database, analyze risk-related measurements, review individual database entries as needed at status meetings with the Government Team, and hold a review of the database quarterly with the ESG. The following set of preliminary risks have been identified:

- If the multiple, cross-organizational stakeholders that comprise the Government Team do not provide adequate support throughout Phase I program execution due to funding limitations prior to release of the SRF funds, then Phase I activities (RFI, Phase I Down-Select SIR, Phase II Solution Implementation SIR, pPR, fPR) may be impacted. Risk: Schedule, Technical
- If the Government Team does not adequately manage the Phase I SIR development and Source Section activities and associated schedule, then the Program Integrated Master Schedule (IMS) critical path could be impacted. Risk: Schedule
- If the ESG is not comprised of representatives with the proper level of authority to make decisions on issues forwarded by the Government Team, then the Phase I schedule may be impacted. Risk: Schedule
- If the multiple, cross-organizational stakeholders do not properly identify the Phase I activities, associated schedule, and funding requirements, then adequate SRF funding from OMB may not be provided to support Phase I program acquisition activities. Risk: Schedule
- If one or more of the cross-agency stakeholders decide to opt out of participating in the SENSIR program, then the overall program acquisition process may be impacted. Risk: Schedule, Technical
- If multiple agency-specific acquisition management and approval processes are identified within the SENSIR IMS critical path, then the overall SENSIR IMS may be impacted and consequently, the 2024 spectrum auction date may be missed. Risk: Schedule, Technical
- If the separate DoD/DHS effort that focuses on the other 1300 – 1350 MHz specific applications that are defense- and security related cannot accommodate the proposed schedule described in this plan, then the overall effort to vacate the 1300 – 1350 MHz band will be significantly impacted (e.g., reduction in expected revenue). Risk: Schedule, Technical

## 7. Appendix C – Acronyms

|          |  |
|----------|--|
| AMS      | Acquisition Management System                              |
| ANG      | Office of NextGen  |
| ARSR-4   | Air Route Surveillance Radar Model 4                       |
| ASR      | Airport Surveillance Radars                                |
| ATC      | Air Traffic Control  |
| ATCBI    | Air Traffic Control Beacon Interrogator                    |
| ATD      | Advanced Technology Demonstrator                           |
| ATO      | Air Traffic Organization                                   |
| CARSR    | Common Air Route Surveillance Radar                        |
| CIO      | Chief Information Officer                                  |
| CONOPS   | Concept of Operations                                      |
| DHS      | Department of Homeland Security                            |
| DOC      | Department of Commerce                                     |
| DoD      | Department of Defense                                      |
| Dual-Pol | Dual-linear Polarization                                   |
| FAA      | Federal Aviation Administration                            |
| FCC      | Federal Communications Commission                          |
| fPR      | Final Program Requirements                                 |
| FY       | Fiscal Year  |
| GET      | Government Engineering Team                                |
| GHz      | Gigahertz  |
| GPN      | Global Positioning Navigation                              |
| IFF      | Identification Friend or Foe                               |
| ILS      | Integrated Logistic Support                                |
| IMS      | Integrated Master Schedule                                 |
| ISD      | In-Service Decision  |
| LRR      | Long Range Radar   |
| MHz      | megahertz  |
| MOA      | Memorandum of Agreement                                    |
| MOU      | Memorandum of Understanding                                |
| NAS      | National Airspace System                                   |
| NEXRAD   | Next Generation Weather Radar                              |
| NextGen  | Next Generation Air Transportation System                  |
| nmi      | nautical miles   |
| NOAA     | National Oceanic and Atmospheric Administration            |
| NTIA     | National Telecommunications and Information Administration |
| NWS      | National Weather Service                                   |
| OMB      | Office of Management and Budget                            |
| OSD      | Office of the Secretary of Defense                         |
| PAR      | Phased Array Radar   |
| pPR      | preliminary Program Requirements                           |
| RCS      | Radar Cross-Section  |
| R&D      | Research and Development                                   |
| RF       | Radio Frequency  |

## Version 5.0

|         |  |
|---------|--|
| RFI     | Request for Information                        |
| ROM     | Rough Order of Magnitude                       |
| SENSR   | Spectrum Efficient National Surveillance Radar |
| SIR     | Screening Information Request                  |
| SRF     | Spectrum Relocation Fund                       |
| sUAS    | Small Unmanned Aircraft System                 |
| TDWR    | Terminal Doppler Weather Radar                 |
| TRL     | Technology Readiness Level                     |
| U.S.    | United States                                  |
| WBS     | Work Breakdown Structure                       |
| WSR-88D | Weather Surveillance Radar - 88 Doppler        |

## Ray, Kathy (OST)

---

**From:** Dan Elwell <dan@elwell.aero>  
**Sent:** Thursday, January 05, 2017 5:11 PM  
**To:** carl.burleson@faa.gov  
**Subject:** Re: SENSR Industry Day

Thanks!

On Thu, Jan 5, 2017 at 4:28 PM, <carl.burleson@faa.gov> wrote:

Dan

Here's the basic information on SENSR. There's a much more detailed document which is a slightly earlier version of the plan which was given out today which I'll get to you as soon as I get soft copy.

Cheers

Carl

--

**Dan Elwell**

President and Managing Partner

**Elwell & Associates LLC**

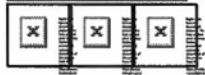
Aviation Consulting and Advocacy

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(703) 646-5337 office

[dan@elwell.aero](mailto:dan@elwell.aero)

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**Ray, Kathy (OST)**

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**From:** Burleson, Carl (FAA) <carl.burleson@faa.gov>  
**Sent:** Thursday, January 05, 2017 4:29 PM  
**To:** 'Dan Elwell'  
**Subject:** SENSR Industry Day  
**Attachments:** SENSR Industry Day Agenda.docx; SENSR Information.docx; SENSR Stakeholder Briefing.ppt

Dan  
Here's the basic information on SENSR. There's a much more detailed document which is a slightly earlier version of the plan which was given out today which I'll get to you as soon as I get soft copy.  
Cheers  
Carl

# SENSR Industry Day Agenda

Below is the draft Industry Day agenda:

- 9:00am: Opening Meeting (*Jay Merkle and Rebecca Guy*)
- 9:15am: Pipeline Plan (*Rebecca Guy and Mike Freie*)
- 9:45am: Preliminary Project Planning (*Mike Freie*)
  - Phase I
  - Phase II
  - Solution Implementation
- 10:15am: Preliminary Acquisition Planning (*Mike Freie*)
  - Down-Select: Screening Information Request (SIR)
  - Solution Implementation - Screening Information Request (SIR)
- 11:00am: Lunch Break
- 12:00pm: Technical Overview: (*Mike Emanuel*)
  - Program Scope: SENSR Program Boundaries
  - Perceived mismatches between pPR and CONOPS
  - Changes from draft RFI and responses to vendor inputs
- 12:30pm: Agency Briefings
  - Mission, Concept of Operations, Requirements, Legacy systems impacted
  - This will include surveillance scenarios – border, defense, ATC and weather
    - DoD
    - DHS
    - NOAA
    - FAA
- 2:30pm: Break
- 2:45pm: Challenge / Next Steps (*Mike Emanuel*)
- 3:00pm: Summary (*Rebecca Guy*)
- 3:30pm: Audience Questions and Answers
- 3:45pm: Closing (*Rebecca Guy*)

If there are any questions, please contact Rebecca Guy at 202-281-5857 or [Rebecca.Guy@faa.gov](mailto:Rebecca.Guy@faa.gov) or Amy Yedinak at 202-297-0211 or [akyedinak@akgovsolutions.com](mailto:akyedinak@akgovsolutions.com)



# Spectrum Efficient National Surveillance Radar (SENSR)

## Background:

The United States Federal Government has seen an increasing demand on the overall Frequency Allocations - Radio Spectrum which is attributed to technological innovations, such as 3G and 4G mobile services, and the rapid expansion of wireless internet services.

A Presidential mandate was issued that Federal agencies/departments must free portions of the Spectrum. After that mandate, the Spectrum Pipeline Act of 2015, included as Title X of the Bipartisan Budget Act of 2015, was issued.

The Spectrum Pipeline Act stated the following:

- Federal agencies must submit a plan to free 30 Mhz spectrum below 3.0Ghz for auction by 2024
- Auction proceeds will be provided to the Federal agencies to cover relocation or spectrum sharing costs
- \$500M will be appropriated for research, development and planning
- The Office of Management and Budget (OMB), Federal Communications Commission (FCC), and National Telecommunications and Information Administration (NTIA) Technical Panel will review technical plans for approval prior to fund transfer

The Department of Transportation (DOT) - Federal Aviation Administration (FAA), in partnership with the Department of Defense (DoD), the Department of Homeland Security (DHS), and the Department of Commerce - National Oceanic and Atmospheric Administration (NOAA), is standing up a Government Team called *Spectrum Efficient National Surveillance Radar (SENSR)*. This cross agency Government Team will assess the feasibility of acquiring new surveillance solutions (potentially radar or non-radar) that may result in a consolidation of incumbent legacy surveillance radars (e.g. long range aircraft, short range aircraft, and weather surveillance), or a system of systems surveillance capability. If the SENSR Pipeline Plan feasibility assessment is successful it could result in making the 1300 – 1350 MHz band available for reallocation and to be shared for Federal and/or non-Federal use.

## Overview – Status:

In an effort to formalize the coordination between the involved federal agencies/departments, a Memorandum of Understanding (MOU) was developed and signed in June 2016 by all the partners. This initiated the process of reviewing and analyzing the concept of “freeing up the spectrum” and potential requirements.

In addition to the MOU, the Government Team developed a SENSR Pipeline Plan which is now being circulated among the agencies/departments for executive-level signature. Once signed by all partners, the SENSR Pipeline Plan will be submitted to the Technical Panel for approval. The plan defines the mission for the program as follows:

- Vacate the 1300-1350 MHz spectrum by consolidating long-range, short range, and weather radar requirements
- Determine if the Pipeline Plan is technically feasible
- Pay for research, development, and planning feasibility assessment funding through Spectrum Reallocation Fund

Furthermore, the team is working diligently on a Memorandum of Agreement (MOA) that will be the basis to execute the SENSR Pipeline Plan. As with the MOU, all the partners will sign this.

On Friday October 7, 2016, the Government Team released a draft Request for Information (RFI). The intent of releasing a draft is to get industry's feedback on the RFI and make certain that they understand what the government is requesting. Following that release, the Government Team hosted an industry workshop and vendor one-on-ones in conjunction with the ATCA annual conference. The intent was to provide industry with a general overview of the Federal Governments' plans for SENSR. The vendor one-on-one meetings gave industry the opportunity to provide feedback to the Government Team on the draft RFI.

**Next Steps:**

The Pipeline plan has been signed by DOT/FAA, DHS and DOC/NOAA. DoD is the final signatory and is expected to sign the plan this week. Once the plan has been signed by all the agencies it will be formally submitted to the Technical Panel for approval followed by a 60 day notification to Congress. The funding as laid out in the pipeline plan will then be available to the cross agencies.

The final RFI will be released on January 3, 2017 and the Government Team will host a formal Industry Day on January 5, 2017. The purpose of Industry Day is to convey extensive, multi-Agency program details to all potential vendors. This will also continue to foster the industry – government relationships which are necessary to achieve success with such a large scale program. Furthermore, this meeting will clarify any misconceptions regarding the program and again ensure consistent messaging. This meeting will also stimulate the market place and significantly improve the RFI responses. It will allow for networking and appropriate information exchange between vendors and the Government Team. During this time, the Government Team usually sees teaming arrangements start to evolve. Teaming arrangements can provide the government with innovative and comprehensive proposals that can benefit all parties involved.

Finally, public affairs will be hosting a media call during Industry Day on January 5, 2017 to provide the program's general overview. This will assist in ensuring a consistent and accurate message is being disseminated.

Additional program activities include tailoring the acquisition management system to accommodate this program accordingly.

# **Spectrum Efficient National Surveillance Radar Program (SENSR)**

## **Stakeholder Briefing**

Presented to: JRC Readiness Stakeholders

By: Rebecca Guy, AJM-1

Date: December 21, 2016



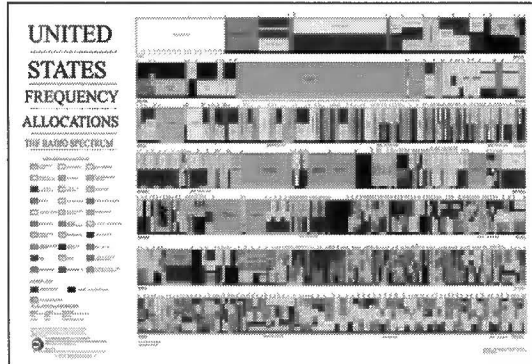
## **Outline**

- **Introduction**
- **Approach**
- **Program Status**
- **AMS Recommendations**
- **Schedule**
- **AMS Tailoring Proposals**
- **Wrap-Up**

## Introduction – Background

### Bi-Partisan Budget Control Act

- Must submit plan to free 30 MHz spectrum below 3.0 GHz for auction by 2024
- Auction proceeds to cover 110% of relocation or spectrum sharing cost
- \$500M appropriated for research, development, and planning



### Objective

- Vacate the 1300-1350 MHz spectrum by potentially consolidating long-range, short-range, and weather radar requirements
- Funded through the Spectrum Reallocation Fund (SRF), via the SENSR Pipeline Plan once approved by the Technical Panel (FCC, OMB, NTIA)

SENTR Stakeholder Briefing  
Date: December 21, 2016



Federal Aviation  
Administration

## FAA Systems

- **Legacy FAA systems potentially impacted by SENSR**
  - Systems impact dependent on technical solution and relocation of capability
  - Assumes post 2020 ADS-B environment
  - Cooperative systems currently co-operational with non-cooperative surveillance

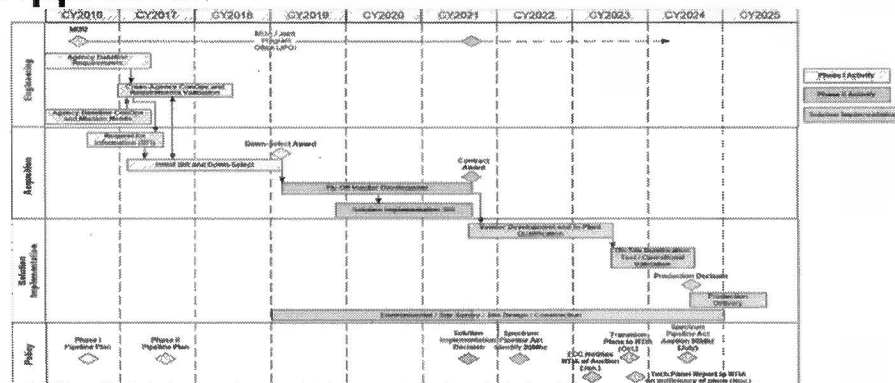
| Legacy System                                     | Legacy System Count  |
|---|--|
| Non-cooperative Surveillance<br>ASR (-8, -9, -11) | 225 Operational Sites<br>38 ASR-8<br>122 ASR-9 (includes 34 WSP)<br>65 ASR-11        |
| Cooperative Surveillance<br>(ATCBI-6, Mode-S)     | 167 Operational Sites<br>122 high altitude (En-Route)<br>~45 low altitude (Terminal) |
| Hazardous Weather<br>(TDWR)                       | 45 Operational Sites<br>WSP included above   |
| Total   | 437  |

SENTR Stakeholder Briefing  
Date: December 21, 2016



Federal Aviation  
Administration

## Approach



### Phase I – Define

- System Engineering
  - Integrated requirements development
  - Integrated Concept of Operations
- Financial
  - Initial development of budget and benefits
- Acquisition
  - Request for Information (RFI)
  - Request for Proposal for Down-select SIR

### Phase II – Refine

- System Engineering
  - Complete refinement of requirements
- Financial
  - Complete development of budget and benefits
- Acquisition
  - Vendor development of requirements for System Capability Demonstration
  - Final Request for Proposal

SENSAR Stakeholder Briefing  
13th December 2016



Federal Aviation  
Administration

## Program Status

### • Program Status

- Memorandum of Understanding (MOU) was signed by DOT-FAA, DOD, DHS, DOC-NOAA - June 2016
- Finalized Phase I of the SENSAR Pipeline Plan – October 2016
- Provided Industry draft ConOps, Requirements, and RFI – October 2016
- Industry Outreach held at Air Traffic Controller's Association (ATCA) Conference (Cross Agency Workshop and Vendor Meetings)– October 2016

### • Upcoming Milestones

- SENSAR Pipeline Plan signed (Jan 2017)
  - Signed by DOT and DHS
  - Awaiting signature by NOAA and DOD
- Formal RFI release (Jan 2017)
- Industry Day (Jan 2017)
- Cross-Agency MOA finalized to establish Joint Program Office (Jan 2017)
- OMB Funding released to partner agencies

SENSAR Stakeholder Briefing  
13th December 2016



Federal Aviation  
Administration



## **AMS Tailoring Proposals – Tailored IID**

**Target: 4Q CY18**

- **Down-select to qualified vendors**
- **Authorization to proceed to Phase II award**
  - Risk-reduction prototyping and demonstration
  - Fly-off informs source selection at FID
- **Not selecting a preferred alternative technology / approach**
  - Cost estimates at lower fidelity
  - Scope viability questions
- **Cost estimates based on Phase II Plan cost submission**

SENSR Stakeholder Briefing  
Date: December 21, 2016



Federal Aviation  
Administration

## **Wrap-Up**

- **SENSR presents FAA with unprecedented opportunity for modernizing and updating FAA surveillance systems with funding outside normal F&E budget**
  - SRF will pay for feasibility studies
  - Auction of Federally-owned portions of spectrum will potentially pay for replacement system acquisition
- **Due to uniqueness of this Congressionally-directed, multi-agency program, some AMS tailoring will be required**

SENSR Stakeholder Briefing  
Date: December 21, 2016



Federal Aviation  
Administration

## Summary of AMS Recommendation

- **Waive IARD**
- **Tailored IID – 4Q CY18**
- **FID – 3Q CY21**

### **SENSR Subsumes NSWRC and NBSC\***

- Remove NSWRC Decision Points from EA (IARD Jan 2017, IID 2018, FID 2020)
- Remove NBSC Decision Points from EA (CRDR Jan 2017, IARD 2017, IID 2018, FID 2020)
- If a SENSR auction is not achieved, conduct a planning meeting with the JRC to discuss NSWRC reentry into the EA Roadmap in Initial Investment Analysis and the appropriate reentry for NBSC

DFVLR Investment Funding  
Final Decision 2013



Foreign & International  
Investment

## Backup

DFVLR Investment Funding  
Final Decision 2013



Foreign & International  
Investment



## DOD Systems

- **Systems to be studied for SENSR**
  - Long-range radars (ARSR-4, CARSR, TPS-59, FPS-124, FPS-117, TPS-77)
  - AN/GPN-30 digital airport surveillance radar (ASR-11)
  - WSR-88D (NEXRAD)



## DHS Systems

- **Systems to be studied for SENSR**
  - Long-range radars (ARSR-4, CARSR)



## DOC – NOAA Systems

- **Systems to be studied for SENSR**
  - WSR-88D (NEXRAD)
- **Use of data from**
  - TDWR
  - ASR-11
  - ARSR-4



## Ray, Kathy (OST)

---

**From:** Burleson, Carl (FAA) <carl.burleson@faa.gov>  
**Sent:** Friday, January 06, 2017 10:29 AM  
**To:** Dan Elwell  
**Subject:** Elwell joins transition team for transport

Congrats you made the press!

**AVIATION CONSULTANT WORKING ON DOT LANDING TEAM:** Former FAA appointee Dan Elwell has been added to the Trump transition's landing team for DOT. Elwell, founder of aviation consultancy Elwell & Associates, previously served as Airlines for America's senior vice president for safety, security and operations. Prior to that job, he was vice president of civil aviation for the Aerospace Industries Association. When Marion Blakey was FAA administrator, Elwell was the agency's assistant administrator for aviation policy, planning and environment. He has also served in the Air Force and worked at American Airlines. POLITICO

--  
  
Kathryn Creedy  
NEW PHONE # (b) (6)  
US-Eastern Time Zone  
Kathryn Creedy on Forbes <http://www.forbes.com/sites/kathryncreezy/>  
**Communications Strategies** <http://www.kathrynbcreedy.com>  
**Twitter:** @kcreedy  
**LinkedIn:** <https://www.linkedin.com/in/kbcreedy>  
**Blogs:**  
**Winging It** <http://kcreedy.wordpress.com/author/kcreedy/>  
**Beachcombers Chronicles** <http://beachcomberchronicles.wordpress.com>

## Elwell, Daniel (FAA)

---

**From:** pmcgraw@airlines.org  
**Sent:** Friday, July 07, 2017 9:45 AM  
**To:** Elwell, Daniel (FAA)  
**Cc:** Guynn, Michelle (FAA); Nolen, Billy  
**Subject:** July 18, 19 2017 Ops Council Agenda- With Joint Time with Safety Council.docx  
**Attachments:** July 18, 19 2017 Ops Council Agenda- With Joint Time with Safety Council.docx

Dan,

We have an upcoming round of A4A Council meetings and would like to invite you to attend should your schedule permit. The meetings will be of our Operations and our Safety Councils who will be meeting together the afternoon of July 18 and separately the morning of July 19 (agenda for Ops Council attached). You'll note some of your FAA colleagues will be here on the 18<sup>th</sup>. We can work you in either day, but thought perhaps the 19<sup>th</sup> at 9 am might be best.

Our members would like to hear what you see surfacing for the remainder of 2017 from the Agency's perspective, and what they might expect from the new Administration. We hope you can make it but if not, we are also planning another A4A Joint Council meeting for early January 2018 that might provide another opportunity. Thanks for your consideration of our request.

Sincerely,  
Paul

Paul J. McGraw  
Vice President, Operations & Safety  
**Airlines for America**  
We Connect the World  
(b) (6)  
[airlines.org](http://airlines.org) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [LinkedIn](#)

July 18, 19 2017  
Airlines for America  
1275 Pennsylvania Ave NW  
Washington, DC 20004



**Agenda**  
Operations Council  
  
Chair: Bryan Quigley

### Tentative Schedule

#### Day 1, Tuesday, July 18 (Joint Meeting with Operations and Safety Councils)

|      |  |   |                        |
|------|--|---|------------------------|
| 1200 | Lunch  |   |                        |
| 1245 | Welcome  | Bryan Quigley<br>Al Madar                             | UA<br>AA               |
| 1300 | Legislative Update   | Sharon Pinkerton                                      | A4A                    |
| 1330 | NTSB Update  | John DeLisi   | NTSB                   |
| 1430 | CAST/Safety Update   | Al Madar<br>Fran Heil<br>Bryan Quigley<br>Jeff Miller | AA<br>A4A<br>UA<br>A4A |
|      | Ops Council Update for Safety Council  |   |                        |
| 1500 | FAA Prep   | Bryan Quigley   | UA                     |
| 1515 | Break  |   |                        |
| 1530 | FAA Visit  | Ali Bahrami<br>John Duncan                            | FAA<br>FAA             |
|      | <ul style="list-style-type: none"> <li>• Passenger Disruptions</li> <li>• FAA Reorg Update</li> <li>• Related Aircraft Recap</li> <li>• Draft AC 120-27F and AC 120-42C – Comment Periods are Closed</li> <li>• Exemption Extensions</li> <li>• MEL Issue with Nav Data Base</li> <li>• TALPA Meeting Recommendations</li> <li>• UAV Update</li> </ul> |   |                        |
| 1700 | Adjourn  |   |                        |
| 1730 | Dinner – Old Ebbitt Grill – Reservation for 30   |   |                        |

#### Day 2, Wednesday, July 19 (Currently Planned for Separate Meetings - Just Operations Council)

|      |  |             |     |
|------|--|-------------|-----|
| 0830 | Continental Breakfast  | All         |     |
| 0900 | Roundtable   | All         |     |
| 1015 | Turbulence Debrief   | Rick Curtis | SWA |
| 1045 | Break  |             |     |
| 1100 | Other Topics of Interest and Next Meeting  |             |     |
|      | <ul style="list-style-type: none"> <li>• Guidance for takeoff/landing near thunderstorms</li> <li>• Deice / Anti-ice Update</li> <li>• Equip 2020</li> <li>• NAC / DAC Update</li> </ul> |             |     |
| 1200 | Adjourn  |             |     |



**Elwell, Daniel (FAA)**

---

**From:** spinkerton  
**Sent:** Monday, July 10, 2017 8:29 PM  
**To:** spinkerton  
**Subject:** Steve Forbes tweet supporting AIRR Act



# Steve Forbes

11.7K Tweets

TWEETS

TWEETS &amp; REPLIES

MEDIA

LIKES

forbes.com



81



762



983

**Steve Forbes** ✓ @SteveForbesC... · 4h

We need to modernize air traffic control. Current system is 70 years old. Tell Congress to pass the AIRR Act:



Citizens for On Time Flights

[ontimeflights.org](http://ontimeflights.org)



1



3



7

**Steve Forbes** ✓ @SteveForbesCEO · 1h

Why Bitcoin Is Booming.



## Elwell, Daniel (FAA)

---

**From:** spinkerton  
**Sent:** Tuesday, July 11, 2017 10:22 AM  
**To:** Britt, Michael (OST)  
**Cc:** Frank McCarthy; jbressler@natcad.org; Jose Ceballos; Burgeson, Christine; Saltzman, Josh; Brown, Chris C (FAA); Bedell, Anthony (OST); McMaster, Sean (OST); Post, Andy (OST); Timothy Pataki (Timothy.A.Pataki@who.eop.gov); Gribbin, DJ J. EOP/WHO; House, Mark S. EOP/WHO; Elwell, Daniel (FAA); ncalio airlines.org  
**Subject:** Re: ATC Reform Discussion

+Nick

Sent from my iPhone

> On Jul 11, 2017, at 10:20 AM, Britt, Michael (OST) <Michael.Britt@dot.gov> wrote:

>

> Attendees will be as follows;

> FAA

> 1. Dan Elwell, Deputy Administrator, FAA

> 2. Chris Brown, FAA OLA

> 3. Greg Martin, FAA OPA

>

> DOT

> 4. Mike Britt, DOT, Sr. Advisory to Secretary

> 5. Sean McMaster, DOT OLA

> 6. Anthony Bedell, DOT OIG

>

> White House

> 7. DJ Gribbin, WHO NEC

> 8. Tim Pataki, WHO OLA

>

> Industry/ Stakeholders

> 9. Frank McCarthy, Keelen Group (SWAPA)

> 10. Shelley Rubino, A4A

> 11. Christine Burgeson, A4A

> 12. Josh Saltzman, A4A

> 13. Sharon Pinkerton, A4A

> 14. Jose Ceballos, NATCA

> 15. Lori Garver, ALPA

>

> <meeting.ics>

**From:** spinkerton  
**Sent:** Wednesday, July 12, 2017 7:19 PM  
**To:** spinkerton  
**Subject:** FW: From AOPA --quotes DL "study" notes COTF

# ATC PRIVATIZATION PITFALLS: POINT BY POINT

July 12, 2017 By Joe Kildea

**The issue of air traffic control reform surfaces in Washington, D.C., from time to time, and with the 21st Century AIRR Act (HR 2997) under consideration for a vote in the House of Representatives, that debate is happening again.**

Just last year, similar legislation was proposed and passed committee vote, but [never reached the floor](#) of the House. This time, with the support of the White House, the legislation stands a serious chance of becoming a reality.

While often referred to as privatization, HR 2997 really just takes a monopoly and turns it over, lock, stock, and barrel, to a board dominated by the airlines and their affiliates. [Rep. Mario Diaz-Balart](#) (R-Fla.), senior member of the House Committee on Appropriations and chair of the Subcommittee on Transportation, Housing and Urban Development, said the organization that would run ATC “will be a monopoly run by private interests with zero oversight. There’s still no competition.”

As the [\*\*\*International Business Times\*\*\*](#) reported, “The board could easily come under the control of the major U.S. airlines, which have spent millions lobbying the government to privatize the nation’s airspace.”

The cost of flying will go up and delays will not decrease despite claims from the airlines and their front groups like [Citizens For On Time Flights](#). A 2016 [Delta Airlines study](#) estimated an increase of 20 to 29 percent in ATC fees on airline ticket under privatization, and according

to the [Bureau of Transportation Statistics](#), 80 percent of delays in the system are caused by the airlines and weather, neither of which HR 2997 can address.

Privatization is simply a move by the airlines to control the system—the very airlines that jam passengers into a seat and reap billions of dollars annually from travelers who simply want to bring along luggage. Without even getting into customer service issues, do you really want the airlines running the U.S. ATC system?

Remember, these are the same airlines that have [filed for bankruptcy](#) dozens of times since 1978.

What happens when fuel prices go up again or God forbid another terrorist attack, considering this new entity would be leveraged with billions in debt on day one? Where do the cuts and funding come from, the major airports around cities? Of course not.

GA and rural communities will be left with the crumbs as the board will be dominated by commercial interests. As the [Delta Airlines study](#) said, “Effects of privatizing ATC could also place a greater financial strain on smaller airports that serve rural communities and other populations located outside major urban centers.”

In congressional testimony on privatization, Transportation Secretary Elaine Chao [admitted](#) the oversight board would favor the interests of larger airports.

The federal government does two things well: national security and air traffic control. In fact, ATC is the FAA’s best asset. According to a 2016 [GAO](#) report, the United States is considered to have the busiest, most complex, and safest ATC system in the world.

Aviation accounts for more than five percent of our gross domestic product, contributes \$1.6 trillion in total economic activity, and supports nearly 11 million jobs, according to the [FAA](#). Aviation manufacturing is one of the few industries left that generates a positive trade balance for the United States.

We’ve seen what has happened with Amtrak and other government hybrids, and we don’t need one in the sky. [Andrew Langer](#) of the Institute for Liberty wrote, “The proposal, which is being pushed almost exclusively by the big commercial airline lobby, would actually create a new quasi-governmental, public-private entity similar to a government sponsored enterprise (think Fannie Mae or Amtrak).”

AOPA supports modernizing ATC, and the FAA could be a lot more efficient. Congress could do a number of things to help, short of HR 2997. Growing capacity in the system and allowing more people to experience flying is a laudable goal that AOPA supports. But the issue must be addressed in a holistic manner.

The airlines say projected growth demands a new system to manage ATC. But where are these airplanes going to land? It is almost impossible to build a new airport in this country. For example, it took four years to build a new runway at Seattle-Tacoma International Airport but permitting took 15 years. Todd Hauptli of the American Association of Airport Executives told Congress, “It took longer to build that runway than the Great Pyramids of Egypt.”

Where are the airport gates and runways to accommodate this growth that modernization is promising?

Another downside of privatization would be the cost, and all taxpayers, not just air travelers, would have to dig deeper in their pockets. U.S. government [cost estimates](#) for implementing privatization range from \$20 billion to \$46 billion, but that would likely be just the beginning.

A privatized ATC would inherently be “too-big-to-fail” and eventually require increased fees and/or taxpayer funded bailouts, as seen in Canada and the U.K. As *The Atlantic* reported, “Taxpayers could potentially be on the hook to bail out that entity—in the name of safety—should it go under.”

As for ATC technology and claims by the airlines that NextGen is behind schedule and over budget, the [GAO](#) found costs have not increased significantly above initial 2004 estimates. According to the [FAA](#), NextGen data shows the program is “delivering benefits to industry and the public on time, on budget, and in quantifiable segments.”

Paul Rinaldi, president of the National Air Traffic Controllers Association which has endorsed the 21st Century AIRR Act, wrote in congressional testimony that the critical NextGen technology upgrades are on time or ahead of schedule. *The Washington Post* reported that it is the airlines that have actually been reluctant to spend on adopting the new technologies.

Supporters of privatization often point to other countries that have taken similar steps, namely Canada and the United Kingdom, but close examination proves they should be warnings not validators.

According to the [Delta Airlines study](#), Canadian flyers faced a 59-percent increase in ATC fees on airline tickets and the U.K. saw a 30-percent jump following privatization.

Since 1998 Canadian ATC has seen their revenue go up by around 21 percent while flight volume actually decreased by 16 percent, per the [Delta Airlines study](#). The [GAO](#) also found that following privatization, many Canadian general aviation pilots in rural areas faced an increase in fees.

Additionally, a 2015 study conducted by industry consultant [Bob Mann](#) showed that the FAA-run system is already more efficient than the Canadian counterpart to the tune of 8 cents per mile.

[Sen. Jerry Moran](#) (R-Kan.) highlighted the unintended consequences and broken promises that came with privatization in Canada. "Proponents point to Canada as the model for how ATC privatization ought to be accomplished, but general aviation in Canada continues to pay not only aviation taxes but user fees as well, the industry has not received the fair treatment originally promised from privatization," said Moran.

Similarly, the United Kingdom has seen a decline in airport services outside of London and required a multi-million-dollar taxpayer bailout after the post-9/11 downturn. According to a 2015 [study](#) by the U.K. Airports Commission, privatization has hurt access to aviation in rural areas of the United Kingdom, and has had a detrimental effect on local economies.

With a nearly unified airline assault for control of the nation's airspace and so much at stake, AOPA is urging members to [contact](#) their representatives in Congress to oppose the 21st Century AIRR Act, HR2997.



## **Joe Kildea**

*AOPA Director of Media Relations*

AOPA Director of Media Relations Joe Kildea joined AOPA in 2015. He is a student pilot and his first solo flight was at AOPA's home airport in Frederick, Maryland.

[GO TO JOE KILDEA'S PROFILE](#)

**Elwell, Daniel (FAA)**

---

**From:** spinkerton  
**Sent:** Wednesday, July 19, 2017 9:25 AM  
**To:** spinkerton  
**Subject:** Excellent endorsement for ATC Reform from Pittsburgh International Airport

[https://transportation.house.gov/uploadedfiles/pittsburgh\\_intl\\_airport\\_letter\\_cassotis.pdf](https://transportation.house.gov/uploadedfiles/pittsburgh_intl_airport_letter_cassotis.pdf)



ALLEGHENY COUNTY AIRPORT AUTHORITY  
PITTSBURGH INTERNATIONAL AIRPORT  
ALLEGHENY COUNTY AIRPORT

July 17, 2017

The Honorable Paul Ryan  
Speaker of the House  
U.S. House of Representatives  
1233 Longworth HOB  
Washington, D.C. 20515

Dear Speaker Ryan,

I am writing to express my support for H.R. 2997, the 21<sup>st</sup> Century AIRR Act and would ask for your support regarding full U.S. House of Representatives passage. As owner and operator of both Pittsburgh International Airport and Allegheny County Airport, the Allegheny County Airport Authority has a vested interest in supporting reform-minded programs and initiatives. ATC modernization is one component of the bill that offers reform, upgrades, and predictable funding to our system. The anticipated benefits extend to airports, carriers and passengers.

I, of course, also support reforming the outdated Passenger Facility Charge in order to invest much needed funds in our airport infrastructure. While PFC reform is not part of this House bill, it should not overshadow the long overdue upgrades to our ATC system. ATC reform is a good first step and would help reduce flight delays, enable access to modern technology, reduce fuel consumption, and, by allowing overcrowded airports to more quickly turn flights, add capacity.

As written, a nonprofit, independent board designed to govern this system is an approach that can rectify the important issue of inadequate funding and aging technology. With funding not tied to the burden of governmental gridlock year after year, the U.S. Air Traffic Control system will quickly become more stable and will realize enhanced efficiencies. The bill also represents a collaborative effort to have a diverse group of aviation professionals that would make up the corporatized board, of which airports would have a representative seat.

As an independent entity, this would allow for a predictable stream of funding from a user-based system free of political interference with no burden to the general taxpayer. The first step would be to invest in new GPS technology, a system that the FAA has been unable to effectively implement. This change will allow the FAA to focus on what it does best – regulating safety.





ALLEGHENY COUNTY AIRPORT AUTHORITY  
PITTSBURGH INTERNATIONAL AIRPORT  
ALLEGHENY COUNTY AIRPORT

The good news is that we know this nonprofit system works. Canada, Australia and many other developed nations have already taken this step with success. This country helped to pioneer the commercial aviation system, but unfortunately we are being left behind with old technology and a system that is stressed and rife with delays.

ATC reform of course is not a cure-all. Airline consolidation has left fewer airlines pushing more and more passengers through fewer gateway airports. Outdated infrastructure constrains airports and passenger flow, costing time and money. Despite these other needs, ATC reform is a good first step.

As an airport we have been part of the economic transformation of our region by gaining an 80 percent increase in nonstop destinations along with adding eight new carriers in the last 2½ years. The economy of our region depends on a thriving and innovative aviation industry. ATC modernization complements that and offers a path forward to other aviation reforms.

It is for these reasons and the continued safe growth of the aviation industry that I ask for support of these reforms.

Please feel free to contact me with any questions.

Best,

Christina Cassotis  
Chief Executive Officer

## Elwell, Daniel (FAA)

---

**From:** spinkerton  
**Sent:** Wednesday, July 19, 2017 1:04 PM  
**To:** Elwell, Daniel (FAA); Brown, Chris C (FAA); Britt, Michael (OST)  
**Subject:** Fwd: House Dems Whip List

Dan

This may be an issue you can weigh in on directly just to explain how it would work and ,FAA still responsible for ensuring NEPA compliance

Sent from my iPhone

Begin forwarded message:

**From:** "Neuman, Stephen S." <[Stephen.Neuman@aa.com](mailto:Stephen.Neuman@aa.com)>  
**Date:** July 19, 2017 at 12:05:25 PM EDT  
**To:** Sharon Pinkerton <[SPinkerton@airlines.org](mailto:SPinkerton@airlines.org)>  
**Subject:** Fwd: House Dems Whip List

Could you please call me re: this when you have a second? (b) (6) .

Thanks,  
SN

Sent from my iPhone

Begin forwarded message:

**From:** "Neuman, Stephen S." <[Stephen.Neuman@aa.com](mailto:Stephen.Neuman@aa.com)>  
**Date:** July 19, 2017 at 12:00:51 PM EDT  
**To:** "Dorgan, Byron L." <[Byron.Dorgan@arentfox.com](mailto:Byron.Dorgan@arentfox.com)>  
**Subject:** RE: House Dems Whip List

Thanks, Senator. I'll reach back out to his chief.

**American Airlines** 

Stephen Neuman  
Managing Director

(b) (6)

(b) (6)

[stephen.neuman@aa.com](mailto:stephen.neuman@aa.com)

---

**From:** Dorgan, Byron L. [<mailto:Byron.Dorgan@arentfox.com>]  
**Sent:** Wednesday, July 19, 2017 12:00 PM  
**To:** Neuman, Stephen S.  
**Subject:** RE: House Dems Whip List

Steve:

I talked to Rep. Scott Peters. I told him that the noise issues and the landing and take-off flight patterns at airports would still be decisions made by the FAA. I said I would ask you to reach out to him with some additional information.

He said that based on that information he thinks he will support the legislation. But he wants to be really sure about the ability to get his calls returned by the FAA re. these issues.

**Senator Byron L. Dorgan**  
**Senior Policy Advisor**

**Arent Fox LLP** | Attorneys at Law  
1717 K Street, NW  
Washington, DC 20006-5344

(b) (6) (b) (6) | 202.857.6395 FAX  
[byron.dorgan@arentfox.com](mailto:byron.dorgan@arentfox.com) | [www.arentfox.com](http://www.arentfox.com)

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## Elwell, Daniel (FAA)

---

**From:** spinkerton  
**Sent:** Thursday, July 20, 2017 7:17 AM  
**To:** Elwell, Daniel (FAA)  
**Cc:** Brown, Chris C (FAA); Britt, Michael (OST)  
**Subject:** Re: House Dems Whip List

Thanks Dan. I did my first RTCA BOD meeting this week.. Mark Baker , Ed Bolen and Craig Fuller so I feel your pain.

Yes, I've talked to Alaska about how to "bring back Bill" and they said it wasn't possible.

On the bright side I chatted with Paul Mitchell Last night ... he's a GA pilot and he said their rhetoric has crossed the line into bald faced lies...He's fired up and working it

Thanks for everything!

Sent from my iPhone

On Jul 19, 2017, at 10:30 PM, "[Daniel.Elwell@faa.gov](mailto:Daniel.Elwell@faa.gov)" <[Daniel.Elwell@faa.gov](mailto:Daniel.Elwell@faa.gov)> wrote:

Happy to do it. Chris - can you set it up?

Just got home from MAC dinner. Quite a conversation the last 30 min: me vs. Huerta, Fuller, Ayer and Garvey. Four against one. They never had a chance!

Seriously, (b) (6) unbelievable. No one listening to him could guess he was ever in the airline business, much less a CEO.

Sent from my iPhone

On Jul 19, 2017, at 1:05 PM, spinkerton <[spinkerton@airlines.org](mailto:spinkerton@airlines.org)> wrote:

Dan

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Sent from my iPhone

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**Date:** July 19, 2017 at 12:05:25 PM EDT  
**To:** Sharon Pinkerton <[SPinkerton@airlines.org](mailto:SPinkerton@airlines.org)>  
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(b) (6)

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SN

Sent from my iPhone

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**From:** "Neuman, Stephen S."  
<[Stephen.Neuman@aa.com](mailto:Stephen.Neuman@aa.com)>  
**Date:** July 19, 2017 at 12:00:51 PM EDT  
**To:** "Dorgan, Byron L." <[Byron.Dorgan@arentfox.com](mailto:Byron.Dorgan@arentfox.com)>  
**Subject:** RE: House Dems Whip List

Thanks, Senator. I'll reach back out to his chief.

<image001.png>  
Stephen Neuman  
*Managing Director*  
(b) (6)  
(b) (6)  
[stephen.neuman@aa.com](mailto:stephen.neuman@aa.com)

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[byron.dorgan@arentfox.com](mailto:byron.dorgan@arentfox.com) | [www.arentfox.com](http://www.arentfox.com)

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## Elwell, Daniel (FAA)

---

**From:** spinkerton  
**Sent:** Thursday, July 20, 2017 11:23 AM  
**To:** Elwell, Daniel (FAA)  
**Cc:** Brown, Chris C (FAA); Britt, Michael (OST)  
**Subject:** Re: House Dems Whip List

Chris

Just got word from AA that Peters is safely in the yes column. I'm a firm believer of the "stop talking when you're ahead" rule. So if you haven't already reached out, don't. If you have, would try keeping it as a soft touch .

Interesting breakfast with Coon and Pete sessions this AM set up my Mica . Pete is helping us . Reports Cheney is good now (EAS problem). Flores not so much, although I think the Committee is still trying

Sent from my iPhone

On Jul 19, 2017, at 10:30 PM, "[Daniel.Elwell@faa.gov](mailto:Daniel.Elwell@faa.gov)" <[Daniel.Elwell@faa.gov](mailto:Daniel.Elwell@faa.gov)> wrote:

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(b) (6)

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<image001.png>  
Stephen Neuman  
*Managing Director*  
(b) (6)  
(b) (6)  
[stephen.neuman@aa.com](mailto:stephen.neuman@aa.com)

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**Senator Byron L. Dorgan**  
**Senior Policy Advisor**

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Washington, DC 20006-5344  
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**Elwell, Daniel (FAA)**

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**From:** spinkerton  
**Sent:** Thursday, July 20, 2017 3:53 PM  
**To:** spinkerton  
**Subject:** FINAL: Clinton Administration Officials Support Air Traffic Control Reform  
**Attachments:** ATC Letter from Clinton Admin Alums 20July17 Final.pdf

July 20, 2017

Members of the U.S. House of Representatives

Re: Support for Air Traffic Control Reform from Clinton Administration Officials

Dear Members:

The House of Representatives will soon vote on legislation to move the Federal Aviation Administration's air traffic control system to a non-profit, government-chartered corporation, leaving the FAA as an independent safety regulator.

Twenty-two years ago, the Clinton Administration, in which we served, proposed to "corporatize" air traffic control. We sought to enable the system to take advantage of the greater flexibility and access to capital available outside of a traditional government agency. However, at the time, it was a relatively untried approach: only four countries had corporatized their air traffic control systems. Today, more than 60 countries have done so, and corporatization has become the standard approach in developed nations.

A key goal of the Clinton Administration initiative was to accelerate the FAA's effort to modernize its system by (among other things) shifting from 1950s-era ground-based radar to satellite-based navigation: under the constraints of traditional government practice, that effort was plagued by multi-year delays and large cost overruns. Two decades later, delays and cost overruns continue to plague the FAA's effort to adopt next-generation technology (NEXTGEN); astoundingly, U.S. air traffic controllers still keep track of aircraft *using paper strips*. By comparison, Canada and other countries with a more flexible, nonprofit structure are able to adopt modern technologies far more speedily. The Wall Street Journal's aviation columnist wrote that flying into the United States from Canada "is like time travel for pilots [as] you leave a modern air-traffic control system run by a company and enter one run by the government struggling to catch up."

Our continuing use of outdated technology sharply limits the capacity of the air traffic control system: it forces airlines to pad their schedules and contributes to flight delays that cost passengers billions of dollars a year. It also helps to explain why the FAA's average cost to handle an individual flight has gone up by 66 percent since 1997, while Canada's has dropped by a third. Another contributor to delays is the FAA's continued reliance on a ticket tax on passengers, as opposed to direct charges on aircraft operators, whose scheduling decisions determine the workload on the system.

We do not necessarily agree with every provision in the House bill. In particular, we think it could be improved by making owners of business jets (turbine aircraft) subject to the same cost-based charges

that commercial aircraft operators will face. **However, we believe the bill overall would benefit our nation and deserves bipartisan support.**

With more than 60 other countries having acted, reform of the U.S. air traffic control system is overdue. We urge you to support it.

Federico Pena  
Secretary of Transportation, 1993-1997

Norman Mineta  
Secretary of Transportation, 2001-2006  
Secretary of Commerce, 2000-2001

Laura D'Andrea Tyson  
Chairman, White House Council of Economic Advisers, 1993-1994; and Director, National Economic Council, 1995-1996

Martin Baily  
Chairman, White House Council of Economic Advisers, 1999-2001

Jason Furman  
Chairman, White House Council of Economic Advisers, 2013-2017; and Deputy Director, National Economic Council, 2009-2013  
Staff Economist, Council of Economic Advisers, 1996-1997; and Special Assistant to the President for Economic Policy, National Economic Council, 1999-2000

Mortimer Downey  
Deputy Secretary of Transportation, 1993-2001

Joshua Gotbaum  
Director, Pension Benefit Guarantee Corporation, 2010-2014  
Assistant Secretary of Defense, 1994-1995; Assistant Secretary of Treasury, 1995-1997; and Executive Associate Director & Controller, Office of Management and Budget, 1997-2001

Daniel Tangherlini  
Administrator, U.S. General Services Administration, 2012-2015; and Assistant Secretary for Management and Chief Financial Officer, Department of Treasury, 2009-2012  
Special Assistant to the Associate Director, Office of Management and Budget, 1996-1997; and Senior Policy Analyst, Department of Transportation, 1996-1998

William Galston  
Deputy Director, Domestic Policy Council, 1993-1995

Michael Deich  
Senior Advisor (performing the delegated duties of the Deputy Director), Office of Management and Budget, 2015-2017  
Associate Director, Office of Management and Budget, 1996-2001; and Special Assistant to the President for Economic Policy, National Economic Council, 1993-1996

Robert Litan

Deputy Assistant Attorney General for Antitrust, Department of Justice, 1993-1995; and Associate Director, Office of Management and Budget, 1995-1996

Dorothy Robyn

Commissioner of Public Buildings, U.S. General Services Administration, 2012-2014, and Deputy Under Secretary of Defense, 2009-2012

Special Assistant to the President for Economic Policy, National Economic Council, 1993-2001

Gerald Baliles

Governor of Virginia (1986-1990) and Chairman of the 1993 National Commission to Ensure a Strong Competitive Airline Industry



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2001

Gerald Baliles

Governor of Virginia (1986-1990) and Chairman of the 1993 National Commission to  
Ensure a Strong Competitive Airline Industry

## Elwell, Daniel (FAA)

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**From:** spinkerton  
**Sent:** Friday, July 21, 2017 6:26 AM  
**To:** Britt, Michael (OST); Elwell, Daniel (FAA); Brown, Chris C (FAA)  
**Subject:** FW: GAMA & Oshkosh

Who's providing protection for Dan?!!

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**From:** Thompson, Jarrod [mailto:jthompson@airlines.org]  
**Sent:** Thursday, July 20, 2017 3:31 PM  
**To:** ggatusk@lists.airlines.org  
**Subject:** GAMA & Oshkosh

FYI.

**Subject:** MEDIA-LIST 17-50: GAMA Fights Air Traffic Control Privatization at AirVenture



GAMA Director of  
Communications:  
Sarah McCann

GAMA MEDIA-LIST 17-50  
Released: July/20/2017

General Aviation  
Manufacturers Association  
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### GAMA Fights Air Traffic Control Privatization at AirVenture

Washington, DC – The General Aviation Manufacturers Association (GAMA) will continue voicing its opposition to legislation that attempts to privatize the U.S. air traffic control system at EAA AirVenture Oshkosh next week.

On Monday, July 24, GAMA President and CEO Pete Bunce will join other general aviation leaders at a town hall meeting to discuss the importance of fighting H.R. 2997, a House of Representatives bill with language proposing to take oversight of the U.S. air traffic control system from the public's elected representatives and put it in the hands of a small board of private interests.

"I encourage Oshkosh attendees to come to the town hall and learn why it's critical for everyone to contact their representatives in Congress and urge them to oppose H.R. 2997," said Bunce. "Over half of the 70,000 flights per day in the U.S. system



are general aviation flights, and the proposal in this bill will not protect airspace access and air traffic service for the industry.”

Aircraft Owners and Pilots Association President Mark Baker, Experimental Aircraft Association CEO Jack Pelton and National Business Aviation Association President and CEO Ed Bolen will join Bunce at 11:30 a.m. local time at Theater in the Woods to discuss the legislation and answer questions from show attendees.

In addition to the town hall, GAMA will have mobile devices available at its tent, 299 in the Main Aircraft Display, so visitors can send a letter of opposition to their representative in Congress. GAMA staff will also be on hand to discuss this critical issue and answer questions.

“The U.S. air traffic control system is the safest, most efficient system in the world with the most diverse users, who have a unique freedom to fly safely at a moment’s notice,” said Bunce. “We can work with Congress and the FAA to make improvements to our system and leverage the new air traffic control technology that has recently been deployed, but we do not support handing the system over to a small board of private interests that will reduce access and harm investment in general aviation, and rural and small communities.”

For additional information, please contact Sarah McCann, GAMA Director of Communications, at +1 (202) 637-1375 or [smccann@gama.aero](mailto:smccann@gama.aero).

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GAMA is an international trade association representing over 100 of the world's leading manufacturers of general aviation airplanes and rotorcraft, engines, avionics, components and related services. GAMA's members also operate repair stations, fixed based operations, pilot and maintenance training facilities and manage fleets of aircraft. For more information, visit GAMA's website at [www.GAMA.aero](http://www.GAMA.aero).

General Aviation Manufacturers Association  
1400 K Street NW, Suite 801  
Washington, DC 20005-2485  
United States

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## Elwell, Daniel (FAA)

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**From:** spinkerton  
**Sent:** Friday, July 21, 2017 10:05 AM  
**To:** Elwell, Daniel (FAA); Britt, Michael (OST); Brown, Chris C (FAA)  
**Subject:** RE: GAMA & Oshkosh - You know all this, but wanted to add to your prep - thanks Dan!!  
**Attachments:** Detailed Rebuttal to AOPA Piece.docx; SummaryRebuttal.docx

### Rebuttal to AOPA Piece: “ATC Privatization Pitfalls: Point by Point<sup>[1]</sup>”

**AOPA Assertion:** While often referred to as privatization, HR 2997 really just takes a monopoly and turns it over, lock, stock, and barrel, to a board dominated by the airlines and their affiliates. Rep. Mario Diaz-Balart (R-Fla.), senior member of the House Committee on Appropriations and chair of the Subcommittee on Transportation, Housing and Urban Development, said the organization that would run ATC “will be a monopoly run by private interests with zero oversight. There’s still no competition.”

As the International Business Times reported, “The board could easily come under the control of the major U.S. airlines, which have spent millions lobbying the government to privatize the nation’s airspace.”

**Response:** It is true that air traffic control (ATC) would remain a monopoly under H.R. 2997, as it is in the U.S. today and as it is in most countries around the world (many of whom have separated the ATC function from the rest of the government). However, in the proposed non-profit structure, the entity would not be motivated by (or even able to attain) monopoly profits, which is the typical argument against monopolies. The non-profit structure itself is a means of controlling any monopolistic incentives without having to employ detailed rate regulation. As shown below, this structure has resulted in decreased rates in Canada.

It is completely inaccurate to say that the proposed non-profit corporation would have “zero oversight.” Safety oversight of ATC would remain the responsibility of the FAA, with greater organizational separation between the service provider and the regulator. And in addition to the ongoing oversight provided by the corporation’s independent Board of Directors (two of whom would be appointed by the Secretary of Transportation), the Secretary of Transportation would have the authority to disapprove a schedule of fees and charges that does not align with the principles established in the authorizing legislation.<sup>[2]</sup>

Finally, the statement that the Board of Directors “could easily come under the control of the major U.S. airlines” is even less accurate now than when it was made in the referenced story from June 5, 2017, which referred to the 2016 AIRR Act rather than H.R. 2997, which was introduced on June 22. H.R. 2997 would establish a 13-member Board of Directors. **Only one of those 13 members would be nominated by major passenger airlines.** One would be nominated by cargo airlines, and another by regional passenger airlines, for a total of three airline-nominated Board members from across the spectrum of the airline industry.<sup>[3]</sup>

It is also important to note that all directors have a fiduciary responsibility to the ATC corporation, not to the segment of the industry who nominated them, and a director cannot be an employee or director of (and cannot receive compensation or material benefit from) an airline or any other customer, supplier or bargaining agent, the government or the ATC corporation itself (other than the CEO).<sup>[4]</sup>

**AOPA Assertion:** The cost of flying will go up and delays will not decrease despite claims from the airlines and their front groups like Citizens For On Time Flights. A 2016 Delta Airlines study estimated an increase of 20 to 29 percent in ATC fees on airline ticket under privatization, and according to the Bureau of Transportation Statistics, 80 percent of delays in the system are caused by the airlines and weather, neither of which HR 2997 can address.

**Response:** The basis for the calculation referred to from the Delta study is unclear. However, we do know that the experience in Canada has been a significant decrease in the fee burden, which ultimately gets reflected in passenger ticket prices, over time.

NAV CANADA data indicate that its current charging rates are approximately the same (on average, in nominal dollars) than when user fees were fully implemented in 1999,<sup>[5]</sup> and more than one-third below than the Air Transportation Tax that funded ATC in Canada prior to NAV CANADA's inception.<sup>[6]</sup> Below is a table of selected charging rates in 1999 compared to today in nominal dollars:

| Type of Charge                                       | 1999 rate <sup>[7]</sup> (\$CAD) | 2017 Base Rate <sup>[8]</sup> (\$CAD) | % Change |
|--|----------------------------------|---------------------------------------|----------|
| Enroute charge <sup>[9]</sup>                        | \$0.03506                        | \$0.03194                             | -9%      |
| Terminal services charge <sup>[10]</sup>             | n/a                              | \$24.14                               | n/a      |
| North Atlantic Facilities & Services <sup>[11]</sup> | \$83.81                          | \$87.18                               | +4%      |
| Int'l Communications Charge <sup>[12]</sup>          | \$50.61                          | \$50.54/\$19.02 <sup>[13]</sup>       | 0%/-62%  |
| Annual fee (<2 metric tons)                          | \$60                             | \$67.64                               | +13%     |
| Annual fee (2-3 metric tons)                         | \$200                            | \$225.84                              | +13%     |
| Daily charge <sup>[14]</sup> (12.3-15 metric tons)   | \$900                            | \$1,146.24                            | +27%     |

We calculate that NAV CANADA unit revenue *decreased* in real terms by over 15 percent between 1999 and 2016 (accounting for approximately 39 percent inflation and 30 percent growth in the number of weighted charging units, NAV CANADA's measure of activity)<sup>[15]</sup>

In terms of enplanements, the total number of passengers at Canadian airports increased by approximately 57 percent from 1999 to 2015 (2016 figures not yet available)<sup>[16]</sup>, indicating that NAV CANADA charges per passenger *decreased* in real terms during the period, by over 30 percent.

In short, there is no indication that the governance and funding reforms proposed in H.R. 2997 would cause ATC fees to increase.

Regarding whether ATC reform would help reduce the frequency and severity of delays, removing ATC from the constraints of the federal budget and governance process will accelerate the delivery of NextGen, which FAA has indicated will reduce delays caused in certain types of weather conditions. It is also important to keep in mind that government statistics report delays compared to airline schedules, but airlines have already built the ATC system's inefficiencies into their schedules. With a more efficient ATC system, airlines would be able to reduce some of this schedule "buffer" and passengers will reliably be able to arrive at their destination sooner.

**AOPA Assertion:** Privatization is simply a move by the airlines to control the system—the very airlines that jam passengers into a seat and reap billions of dollars annually from travelers who simply want to bring along luggage. Without even getting into customer service issues, do you really want the airlines running the U.S. ATC system?

**Response:** See response above regarding whether the airlines would be "running" the U.S. ATC system. To recap, the corporation's directors—only one of whom would be nominated by major passenger airlines—have a fiduciary responsibility only to the corporation, and the corporation would be a non-profit so has no motivation to extract profits from the system. Customer service concerns and baggage charges are completely irrelevant to the ATC reform debate. We believe that all system stakeholders—including airlines, the general aviation community, the government, airports, labor unions, the flying public and others—have the same interests in a safe and efficient ATC system that provides access to our national aviation system.

**AOPA Assertion:** Remember, these are the same airlines that have filed for bankruptcy dozens of times since 1978. What happens when fuel prices go up again or God forbid another terrorist attack, considering this new

entity would be leveraged with billions in debt on day one? Where do the cuts and funding come from, the major airports around cities? Of course not.

**Response:** It is unclear where the assumption comes from that the new entity would be leveraged with billions in debt upon start-up. That is not the intent of H.R. 2997.

The example of U.K. NATS frequently comes up in this context. It is important to note that the initial financial challenges and “bail out” of U.K. NATS was largely a result of unfortunate timing and the way the government structured the transaction, rather than the governance structure of the NATS organization itself.

The sale of 46 percent of NATS to a group of airline stakeholders was completed in July 2001 and was highly leveraged with only six percent equity investment and a loan secured by NATS’ future revenues. A 2006 IBM Business of Government report concludes that “the U.K. government’s desire to maximize sale proceeds and the resulting highly geared financial position of NATS was vulnerable even to modest industry declines, which were starting to occur as early as 2000. The severe downturn in traffic after the September 11 terrorist attacks made NATS’ financial structure non-sustainable and in need of immediate and dramatic restructuring.”<sup>[17]</sup> This restructuring included additional capital funding from the British Airports Authority and the U.K. government. Again, the overly debt ridden structure and for-profit nature of U.K. NATS is not what is proposed for the U.S.

**AOPA Assertion:** GA and rural communities will be left with the crumbs as the board will be dominated by commercial interests. As the Delta Airlines study said, “Effects of privatizing ATC could also place a greater financial strain on smaller airports that serve rural communities and other populations located outside major urban centers.”

In congressional testimony on privatization, Transportation Secretary Elaine Chao admitted the oversight board would favor the interests of larger airports.

**Response:** We do not believe this is a valid concern; as noted above, the Board will not be dominated by commercial interests.

As was the case in Canada, ATC reform in the U.S. could include guarantees and some level of government oversight of ATC service levels. NAV CANADA has been able to provide more service to small communities in innovative, more cost-effective ways than the service that was provided under Transport Canada.

Under ATC reform, Congress could continue to provide funding to smaller airports through the Airport Improvement Program as they do today since AIP funds would still go through the appropriations process. In addition, under the Canadian and other non-government ATC models, as well as the H.R. 2997 proposal, the government retains oversight of service levels for safety purposes.

The AOPA article also takes Secretary Chao’s comments in her testimony completely out of context. Even in the AIN online article that AOPA links to, Secretary Chao is quoted as saying that the fears of the general aviation community are “unfounded,” and that “the board will not be dominated by the airlines.” The full paragraph regarding the oversight board and large airports reads, “Chao acknowledged that ‘in broad terms,’ a private air traffic board would have an incentive to prioritize operations of larger airports, but said ‘we are open to working with Congress’ on the details to preserve access. ‘Rural America overall is an important aspect. We are open to discussion about that.’”<sup>[18]</sup>

**AOPA Assertion:** The federal government does two things well: national security and air traffic control. In fact, ATC is the FAA’s best asset. According to a 2016 GAO report, the United States is considered to have the busiest, most complex, and safest ATC system in the world.

**Response:** It is true that the U.S. has the busiest aviation system in the world. Nevertheless, given that ATC is largely a scalable function, it is unclear why the size of the U.S. system would preclude the successful implementation of governance structures that have been successful elsewhere in the world, including in complex and busy airspace.

Although the U.S. system is significantly larger than Canada’s in terms of volume of traffic and has many more areas of congested, complex airspace, ATC is fundamentally executed in sectors. These sectors are designed so that the controller(s) working them can handle the traffic without being overloaded. While the U.S. would clearly require more sectors than Canada due to the volume of traffic, the method of delivering modernized ATC services should not be significantly different. In theory, there should also be greater economies of scale in the U.S. than Canada has been able to achieve due to the high fixed cost nature of the ATC network operation.

And while we do not dispute the excellent safety record of the U.S. aviation system, the system has fallen behind in efficiency due to the constraints of being part of the federal government. We, along with many other aviation stakeholders, believe that a new governance model would improve efficiency without negatively affecting safety (and likely even affecting safety in a positive way based on other countries' experience). In fact, in the GAO report referenced in the AOPA article, which surveyed a wide range of 16 ATC experts and stakeholders regarding how separation of the ATC function from FAA is likely to affect NextGen:

- 12 respondents said that restructuring ATC would result in a positive impact on meeting NextGen implementation timelines and commitments, while only three respondents predict a negative impact
- 14 respondents said it would improve the ATC provider's ability to collaborate with industry, while only one respondent said it would hurt collaboration with industry.
- Eight believe restructuring will improve coordination between the ATC entity and safety regulator on NextGen implementation, while five believe it will hurt coordination.
- 10 expect that restructuring will improve coordination between the ATC entity and safety regulator on development of new ATC procedures related to NextGen, while three expect it will hurt coordination.
- 11 respondents believe that restructuring will have a positive impact on NextGen funding, while only one believes it will have a negative impact.<sup>[19]</sup>

**AOPA Assertion:** Aviation accounts for more than five percent of our gross domestic product, contributes \$1.6 trillion in total economic activity, and supports nearly 11 million jobs, according to the FAA. Aviation manufacturing is one of the few industries left that generates a positive trade balance for the United States.

**Response:** We wholeheartedly agree with the importance and value of aviation to the U.S. economy; this is why it is critically important that we improve the governance and funding of the U.S. ATC system so it can continue to facilitate this economic activity.

**AOPA Assertion:** We've seen what has happened with Amtrak and other government hybrids, and we don't need one in the sky. Andrew Langer of the Institute for Liberty wrote, "The proposal, which is being pushed almost exclusively by the big commercial airline lobby, would actually create a new quasi-governmental, public-private entity similar to a government sponsored enterprise (think Fannie Mae or Amtrak)."

**Response:** The proposed structure is non-governmental. In fact, we considered the merits of a government corporation and recognize that the experience with government corporations in the U.S. has been significantly more negative than in other countries. Two prominent examples of U.S. government corporations are Amtrak and the U.S. Postal Service (USPS), neither of which could be characterized as success stories. They have both struggled to be financially viable entities, in large part due to political interventions. Government corporations in the U.S. are subject to congressional oversight that has, for instance, prevented the USPS from closing unnecessary facilities or making other service changes. They are subject to limits on debt financing and often are not completely free of the federal budget process.

Some government corporations, such as the USPS, remain on the federal pay scale, restricting the organization's ability to attract and retain top talent. In all cases, the Boards of Directors of U.S. government corporations are political appointees; thus, a government corporation would be significantly less accountable to a broad range of stakeholders than the proposed nonprofit structure.

In short, experience in the U.S. shows that a government corporation model for ATC would likely fall short on resolving many of the problems with the current structure. While it would separate ATC service provision from ATC safety regulation (as long as the FAA's safety functions were not made part of the corporation as well), it would likely not include important features such as:

- An independent, multi-stakeholder Board of Directors;
- Freedom from government management constraints;
- Independence from the budget process; and



- Freedom from excessive restrictions in its ability to manage long-term capital projects to modernize the ATC system.

These are all features that the private, non-profit structure proposed in H.R. 2997 would bring.

**AOPA Assertion:** AOPA supports modernizing ATC, and the FAA could be a lot more efficient. Congress could do a number of things to help, short of HR 2997. Growing capacity in the system and allowing more people to experience flying is a laudable goal that AOPA supports. But the issue must be addressed in a holistic manner.

The airlines say projected growth demands a new system to manage ATC. But where are these airplanes going to land? It is almost impossible to build a new airport in this country. For example, it took four years to build a new runway at Seattle-Tacoma International Airport but permitting took 15 years. Todd Hauptli of the American Association of Airport Executives told Congress, “It took longer to build that runway than the Great Pyramids of Egypt.”

Where are the airport gates and runways to accommodate this growth that modernization is promising?

**Response:** We agree that airport infrastructure is important and that ATC is just one piece—albeit a very important one—of the aviation system. Airport infrastructure should be addressed, but that is a different subject from ATC reform. H.R. 2997 continues to authorize Airport Improvement Program funding at current levels (with inflation adjustments).

**AOPA Assertion:** Another downside of privatization would be the cost, and all taxpayers, not just air travelers, would have to dig deeper in their pockets. U.S. government cost estimates for implementing privatization range from \$20 billion to \$46 billion, but that would likely be just the beginning.

**Response:** This statement irresponsibly misinterprets the CBO estimate and takes it out of context. The CBO estimate clearly states that it had to evaluate H.R. 2799 as a standalone measure even though the expectation is that corresponding legislative changes would be introduced by other relevant committees of jurisdiction (such as the tax and appropriations committees). This materially affects the estimate. Specifically, CBO notes<sup>[20]</sup>:

The estimated changes in direct spending and revenues under H.R. 2997 reflect CBO’s assessment of the budgetary impacts of enacting H.R. 2997 as a stand-alone measure. Ultimately, however, the net budgetary impact of activities related to air traffic control under H.R. 2997 would depend on the details of subsequent legislation that lies beyond the scope of this cost estimate. CBO cannot predict whether such additional legislation will be enacted pursuant to H.R. 2997, but expects that the overall net budgetary impact of shifting responsibility for air traffic control to the AANS Corporation would not necessarily increase future deficits by the amounts reflected in this cost estimate if additional legislation consistent with H.R. 2997 was enacted.

Broadly speaking, while CBO estimates that the proposed corporation would spend more than the FAA otherwise will under current law for capital investments to modernize infrastructure and equipment related to the air traffic control system, CBO expects that underlying costs related to operating and maintaining that system would not change significantly under H.R. 2997. As a result, CBO expects that shifting responsibility for those costs to the proposed corporation would not materially change the magnitude of spending related to air traffic control if future appropriations for the FAA’s retained responsibilities were reduced accordingly to reflect the shift—from mandatory to discretionary—of such spending. Under H.R. 2997, CBO expects that overall amounts of such federal spending would remain more or less the same, with incremental increases in spending stemming primarily from the AANS Corporation’s authority to issue debt to finance additional investments related to modernization.

Similarly, if future tax-related legislation separate from H.R. 2997 was enacted to reduce existing aviation-related excise taxes by amounts equivalent to new user fees that would be charged by the AANS Corporation under H.R. 2997, the resulting amount of revenues available to support air traffic control (and other aviation activities) would be largely unchanged and could continue to cover most, if not all aviation-related spending.

Thus, if such additional legislation were enacted—consistent with the proposed changes envisioned on H.R. 2997—to effectively keep both aviation-related spending and revenues in line with current levels, CBO expects that resulting net increases in future deficits would largely reflect increased capital spending by the AANS Corporation to finance investments related to modernization, which CBO estimates will total about \$3.5 billion over the period covered by this estimate. (That estimate of modernization spending is uncertain and could be higher or lower depending on future investment-related decisions of the AANS Corporation.)

In summary, if the tax and appropriations legislation follows the outline envisioned in H.R. 2997, the CBO expects an increased cost of \$3.5 billion over 10 years—which is the result of the corporation being able to invest more in new efficiency-enhancing technology than the FAA could under current budget processes.

While opponents of ATC reform know that there are other pieces to the puzzle that other committees of jurisdiction would have to fill in, they are citing the CBO score without the very important caveats noted above. It is only logical to assume that part of the ATC reform package would be a reduction in aviation excise taxes to offset the new fees that an independent ATC entity would collect, and a reduction in federal appropriations to offset the removal of ATC cost responsibility from the federal government.

It is also worth noting that the House Rules Committee, subsequent to the CBO estimate, has posted a version of H.R. 2997 that includes tax reduction provisions from the Ways and Means Committee.

**AOPA Assertion:** A privatized ATC would inherently be “too-big-to-fail” and eventually require increased fees and/or taxpayer funded bailouts, as seen in Canada and the U.K. As The Atlantic reported, “Taxpayers could potentially be on the hook to bail out that entity—in the name of safety—should it go under.”

**Response:** See above for the specific issues and lessons learned from the U.K. bailout, which have been considered in the proposed solution for the U.S. On the other hand, NAV CANADA did not experience a government-funded bailout after 9/11. Essentially, NAV CANADA drew down its rate stabilization reserve fund, temporarily increased its user fee rates, reduced its costs, and generated cash flow through a series of capital asset leasebacks.<sup>[21]</sup>

The aftermath of 9/11 highlighted the importance of an ATC corporation having an adequate reserve fund to enable it to survive significant short-term decreases in aviation activity.

It is worth noting that in the years after 9/11 in the U.S., revenues into the Airport and Airway Trust Fund dropped significantly (approximately 12 percent from 2000 to 2003) while FAA’s costs increased (approximately 18 percent in the Operations account from 2000 to 2003 and 34 percent overall due to large increases in both Facilities and Equipment and the Airport Improvement Program). This was effectively funded by increased contributions from the general fund (i.e., a taxpayer bailout) and drawing down the large uncommitted balance in the Trust Fund (i.e., a reserve fund).

We would also highlight that the same article AOPA cited from The Atlantic concludes, “The U.S. wouldn’t be the first country to privatize air-traffic control. Over 60 countries have done so to date. Canada is perhaps the best example of how a shift in air-traffic governance can benefit the flying public. Since privatizing air-traffic control in 1996, operating costs have fallen, labor relations have improved, and the government has been freed from what was then a loss-making enterprise. If America proceeds carefully, it could see the same.”<sup>[22]</sup>

**AOPA Assertion:** As for ATC technology and claims by the airlines that NextGen is behind schedule and over budget, the GAO found costs have not increased significantly above initial 2004 estimates. According to the FAA, NextGen data shows the program is “delivering benefits to industry and the public on time, on budget, and in quantifiable segments.”

Paul Rinaldi, president of the National Air Traffic Controllers Association which has endorsed the 21st Century AIRR Act, wrote in congressional testimony that the critical NextGen technology upgrades are on time or ahead of schedule. The Washington Post reported that it is the airlines that have actually been reluctant to spend on adopting the new technologies.

**Response:** While the FAA has made progress in delivering some key NextGen capabilities, due in large part to increased collaboration with industry, there are certainly different perspectives on the progress of the overall NextGen program. In November 2016, the DOT Inspector General released a report which points out a number of the problems FAA has had in implementing new technology and the ongoing challenges that FAA faces, while acknowledging some recent improvements.<sup>[23]</sup>

Moving the ATC function into a non-profit corporation would not jeopardize NextGen benefits, but rather accelerate them, according to experts who have studied the issue in depth. The Eno Foundation Aviation Working Group found that “NextGen implementation is delayed due to unstable federal funding and the inherent challenges that federal bureaucracies have in deploying multi-billion dollar projects like this one. Like other federal agencies, the FAA is subject to federal procurement rules that create additional problems when it comes to managing large scale projects such as NextGen. The inability of federal agencies to issue bonds or any other form of long-term financing further exacerbates these challenges.”<sup>[24]</sup>

**AOPA Assertion:** Supporters of privatization often point to other countries that have taken similar steps, namely Canada and the United Kingdom, but close examination proves they should be warnings not validators. According to the Delta Airlines study, Canadian flyers faced a 59-percent increase in ATC fees on airline tickets and the U.K. saw a 30-percent jump following privatization.

Since 1998 Canadian ATC has seen their revenue go up by around 21 percent while flight volume actually decreased by 16 percent, per the Delta Airlines study. The GAO also found that following privatization, many Canadian general aviation pilots in rural areas faced an increase in fees.

Additionally, a 2015 study conducted by industry consultant Bob Mann showed that the FAA-run system is already more efficient than the Canadian counterpart to the tune of 8 cents per mile.

**Response:** See above for response to the alleged increase in ATC fees in Canada; the basis for the calculation of the alleged U.K. fee increase is unclear, but in any event the U.K. experience is significantly less relevant because the governance model there was a for-profit structure, which is not proposed in H.R. 2997.

Regarding the point about Canadian ATC revenue increasing by 21 percent from 1998-2013 while flight volume decreased by 16 percent, NAV CANADA unit charges have actually decreased in real terms since the new funding structure was fully implemented in 1999, as noted above, based on number of weighted charging units, which takes into account distance flown and the type of aircraft. Total movements at towers and flight service stations, which is the basis cited for the decrease in flight volume, is probably not the best comparator since it does not account for the type of flight activity or use of the en route system. However, if one were to use a comparable metric for the U.S., it would show an increase in Airport and Airway Trust Fund tax revenue of 35 percent from 2000-2015<sup>[25]</sup> (i.e., greater than the cited Canadian increase) with a decrease in operations at airports with FAA or contract towers of 28 percent (i.e., greater than the cited Canadian decrease).<sup>[26]</sup>

Finally, we do not have the details behind the calculations in the Bob Mann study. However, the Civil Air Navigation Services Organisation (CANSO) has reported that NAV CANADA's cost per IFR flight hour in 2015 (\$321) was over 30 percent below that of the U.S. (\$465).<sup>[27]</sup>

**AOPA Assertion:** Sen. Jerry Moran (R-Kan.) highlighted the unintended consequences and broken promises that came with privatization in Canada. "Proponents point to Canada as the model for how ATC privatization ought to be accomplished, but general aviation in Canada continues to pay not only aviation taxes but user fees as well, the industry has not received the fair treatment originally promised from privatization," said Moran.

**Response:** Most non-jet general aviation users in Canada pay either very low annual fees to NAV CANADA or daily fees for each day they actually fly; they do not pay the same weight and distance formula as jet users. In addition, the continuation of aviation taxes in Canada is a government policy, not related to the non-profit corporation that runs the ATC system; the taxes do not go to NAV CANADA or ATC purposes. Congress has the power to eliminate any taxes that are replaced by user fees in its legislation authorizing the creation of a non-profit ATC corporation in the U.S.; A4A expects that Congress will indeed do so for users who would be paying fees to the ATC corporation.

H.R. 2997 specifically exempts general aviation flights from user fees.

**AOPA Assertion:** Similarly, the United Kingdom has seen a decline in airport services outside of London and required a multi-million-dollar taxpayer bailout after the post-9/11 downturn. According to a 2015 study by the U.K. Airports Commission, privatization has hurt access to aviation in rural areas of the United Kingdom, and has had a detrimental effect on local economies.

**Response:** The report cited did mention a decline in services from U.K. airports outside London, but the report did not cite the UK ATC provider (NATS) or governance structure as a cause. The subject of the report was the expansion of London's airport infrastructure (i.e., new runway capacity at Heathrow or Gatwick). In context, the report mentioned the reduction in service from small U.K. airports as a consequence of limited runway capacity in London:

Airport capacity constraints also affect the extent to which airlines can serve demand and create significant barriers to entry for new players, putting pressure on the level of fares particularly in the long-haul market. This will drive up the total cost of travel across the UK by £3-4 billion in total by 2050 if no increase in capacity is delivered.



Another important consequence is the decline of domestic services from other areas of the UK, particularly the North of England and Scotland, into the largest London airports, impacting the potential growth of their economies. This is particularly an issue at Heathrow, where domestic destinations are getting priced out by more lucrative long-haul routes.

Finally, capacity constraints are having an impact on the UK's connectivity. With no room for additional flights at Heathrow and less and less capacity available at Gatwick, long-haul connections are increasingly focused on the most profitable routes, preventing the development of new links to emerging markets and affecting UK business growth and productivity in those regions. Heathrow's status as an international hub for aviation is also being eroded. To be able to grow its route network it needs to attract significant levels of international transfer traffic to supplement local demand. But declining domestic connectivity, pressures on fares and limited resilience are causing difficulties for the airport in attracting these transfer passengers.<sup>[28]</sup>

In addition, the U.K. has specifically put forward policies to shift short-haul aviation trips to rail travel in order to reduce greenhouse gas emissions.<sup>[29]</sup>

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**From:** Daniel.Elwell@faa.gov [mailto:Daniel.Elwell@faa.gov]  
**Sent:** Friday, July 21, 2017 9:32 AM  
**To:** Pinkerton, Sharon; Michael.Britt@dot.gov; chris.c.brown@faa.gov  
**Subject:** RE: GAMA & Oshkosh

Good point. I'm not planning to attend the town hall on Monday...wouldn't do any good. But, I will be mingling for two days, and I'll be talking with Pete, Ed, Mark, and Jack. I plan to spend today and the weekend getting the AIRR access protection language down cold.

Dan Elwell  
Deputy Administrator, FAA  
(202) 267-8111

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**From:** spinkerton  
**Sent:** Friday, July 21, 2017 6:26 AM  
**To:** Britt, Michael (OST); Elwell, Daniel (FAA); Brown, Chris C (FAA)  
**Subject:** FW: GAMA & Oshkosh

Who's providing protection for Dan?!!

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**From:** Thompson, Jarrod [mailto:jthompson@airlines.org]  
**Sent:** Thursday, July 20, 2017 3:31 PM  
**To:** ggatusk@lists.airlines.org  
**Subject:** GAMA & Oshkosh

FYI.

**Subject:** MEDIA-LIST 17-50: GAMA Fights Air Traffic Control Privatization at AirVenture



GAMA MEDIA-LIST 17-50  
Released: July/20/2017

**General Aviation  
Manufacturers Association**  
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GAMA Director of  
Communications:  
Sarah McCann

### **GAMA Fights Air Traffic Control Privatization at AirVenture**

Washington, DC – The General Aviation Manufacturers Association (GAMA) will continue voicing its opposition to legislation that attempts to privatize the U.S. air traffic control system at EAA AirVenture Oshkosh next week.

On Monday, July 24, GAMA President and CEO Pete Bunce will join other general aviation leaders at a town hall meeting to discuss the importance of fighting H.R. 2997, a House of Representatives bill with language proposing to take oversight of the U.S. air traffic control system from the public's elected representatives and put it in the hands of a small board of private interests.

"I encourage Oshkosh attendees to come to the town hall and learn why it's critical for everyone to contact their representatives in Congress and urge them to oppose H.R. 2997," said Bunce. "Over half of the 70,000 flights per day in the U.S. system are general aviation flights, and the proposal in this bill will not protect airspace access and air traffic service for the industry."

Aircraft Owners and Pilots Association President Mark Baker, Experimental Aircraft Association CEO Jack Pelton and National Business Aviation Association President and CEO Ed Bolen will join Bunce at 11:30 a.m. local time at Theater in the Woods to discuss the legislation and answer questions from show attendees.

In addition to the town hall, GAMA will have mobile devices available at its tent, 299 in the Main Aircraft Display, so visitors can send a letter of opposition to their representative in Congress. GAMA staff will also be on hand to discuss this critical issue and answer questions.

"The U.S. air traffic control system is the safest, most efficient system in the world with the most diverse users, who have a unique freedom to fly safely at a moment's notice," said Bunce. "We can work with Congress and the FAA to make improvements to our system and leverage the new air traffic control technology that has recently been deployed, but we do not support handing the system over to a small board of private interests that will reduce access and harm investment in general aviation, and rural and small communities."

For additional information, please contact Sarah McCann, GAMA Director of Communications, at +1 (202) 637-1375 or [smccann@gama.aero](mailto:smccann@gama.aero).

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GAMA is an international trade association representing over 100 of the world's leading manufacturers of general aviation airplanes and rotorcraft, engines, avionics, components and related services. GAMA's members also operate repair stations, fixed based operations, pilot and maintenance training facilities and manage fleets of aircraft. For more information, visit GAMA's website at [www.GAMA.aero](http://www.GAMA.aero).

General Aviation Manufacturers Association  
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United States

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<sup>[1]</sup> Joe Kildea, AOPA Media Relations, July 12, 2017.

<sup>[2]</sup> H.R. 2997, Section 90313, pages 81-84.

<sup>[3]</sup> H.R. 2997, Section 90306, pages 64-65.

<sup>[4]</sup> H.R. 2997, Section 90307, pages 70-73.

<sup>[5]</sup> NAV CANADA 2016 Annual Report, page 28.

<sup>[6]</sup> NAV CANADA, "Overview of Service Charges," January 2015.

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<sup>[8]</sup> NAV CANADA Customer Guide to Charges, effective September 1, 2016; note that these figures reflect ongoing base rates. The actual rates currently in effect reflect a temporary one-year rate reduction averaging an additional 3.7 percent below base rates.

<sup>[9]</sup> Rate is multiplied by distance flown and square root of aircraft weight

<sup>[10]</sup> The terminal charge rate from 1999 (CAD\$13.65) is not directly comparable to the 2015 rate because the 1999 rate was multiplied by aircraft weight raised to the 0.9 power while the 2015 rate is multiplied by aircraft weight raised to the 0.8 power. Since the aircraft weight power was reduced in 2008, the base rate has increased by 1% in nominal dollars.

<sup>[11]</sup> Charge is per flight

<sup>[12]</sup> Charge is per flight

<sup>[13]</sup> Higher rate is for voice communication; lower rate is for data link communication

<sup>[14]</sup> Daily charges apply to propeller aircraft by weight class; only selected weight classes shown for space purposes. Other weight classes experienced similar percentage increases.

<sup>[15]</sup> NAV CANADA 1999 and 2016 annual reports; Bank of Canada inflation calculator.

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<sup>[20]</sup> Congressional Budget Office Cost Estimate: H.R. 2997, 21<sup>st</sup> Century Aviation Innovation, Reform and Reauthorization Act, July 11, 2017, page 16.

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<sup>[24]</sup> Eno Center for Transportation, "Time for Reform: Delivering Modern Air Traffic Control," February 2017.

<sup>[25]</sup> FAA data on Airport and Airway Trust Fund revenue

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<sup>[26]</sup> FAA Aerospace Forecasts, 2017-2037 (for 2015 data, 49.7 million operations) and 2003-2014 (for 2000 data, 68.7 million operations)

<sup>[27]</sup> Civil Air Navigation Services Organization, "Global ANS Performance Report 2015," page 64.

<sup>[28]</sup> Airports Commission, Final Report, July 2015, p. 16-17.

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**From:** spinkerton  
**Sent:** Friday, July 21, 2017 10:10 AM  
**To:** spinkerton  
**Subject:** Travelers United Today: Take air traffic control away from the government

## Take air traffic control away from the government

July 21, 2017 Filed Under: [Travel policy](#) By [Charlie Leocha](#)

### Air traffic operations should be run like a business



As the debate about reform of the air traffic control (ATC) system continues, those against changing the system are simply not accepting reality. Congress must remove the ATC operations from government control. After almost two decades of inaction and more money spent that was dedicated to sending a man to the moon, America still has a system mired in 1960's technology.

This change is supported by a bipartisan group of supporters from both Democratic and Republican administrations. The Clinton administration was the first to make such a proposal. Now a Republican administration is supporting the same actions to make the ATC operations separate from the government while leaving the safety functions to the FAA.

#### **The state of ATC technology is downright embarrassing**

Actually, the technology and systems are even older. Planes fly across the country following VORs that are in place where giant bonfires were placed to guide in the days of Charles Lindburgh. Radars from WWII are still in use to locate aircraft. Small inches-long slips of paper are passed from air traffic controller to air traffic controller when control of aircraft shifts. Pilots are looking out their windshields to locate nearby air traffic.

#### **The current ATC system wastes time and money by the bucketfull**

- When aircraft follow the VOR systems they end up zigzagging across the country, wasting fuel, lots of fuel.
- With more fuel expenditures, America's environment is harmed when it shouldn't be.
- When planes take indirect routes, they waste time. Today's flight times are sometimes longer than they were 20 years ago.
- The antiquated radar-based system results in planes circling while waiting for landing slots. Plus, aircraft waiting to take off waste more time and fuel on the tarmac.
- Pilot awareness is sacrificed when technology is delayed.
- Current airport infrastructure cannot be used efficiently. New runways built on the promise of new technology that has not been delivered remain underused. Some claim that those airports could improve efficiency by up to 30 percent.

### **The new nonprofit organization structure will allow ATC operations to be run like a business**

- When the ATC operations have the ability to borrow money, funding can be continuous. With budget uncertainty and rules that forbid spending of money not budgeted, a long-term project like ATC updating is handicapped.
- With the stop-and-go budgeting system we have today, costs are driven up and technology is always behind the curve.
- Americans will save millions of dollars in contracting costs through continuous funding.

### **A new ATC organization will be just as safe as the current system, but more efficient.**

- The same controllers will be working just as they have for decades, but with new technology.
- The air traffic controllers union agrees with this shift to the new system.
- The same dedicated FAA personnel will still make safety rules and be in charge of regulations.
- New technology will be put into place more quickly and at a lower cost.

It is time to let go of the myths of the air traffic control system. The bill has been crafted so that private pilots will not have major new costs and expenses for using the ATC system. The biggest objections are coming from those who profit from the current system while the flying public and the American taxpayers suffer.

Albert Einstein once said, "Doing the same thing over and over again and expecting different results is the definition of insanity."

After decades of technological gridlock, it is time to change our ineffective and inefficient ATC organization. It is time to build a great system that will take us into the future.

*Photo from CNN.*

Charles Leocha, the Chairman and Founder of Travelers United, is a nationally recognized expert on affordable travel. He is the author of Travel Rights and a series of guidebooks covering the USA and Europe. In 2009 he founded the Consumer Travel Alliance together with Christopher Elliott. It was renamed Travelers United in 2014. During his time with Travelers United, he has testified regularly before Congress and serves on consumer advisory committees with DOT and TSA.



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**From:** noreply+feedproxy@google.com [mailto:noreply+feedproxy@google.com]  
**Sent:** Friday, July 21, 2017 9:54 AM  
**To:** Pinkerton, Sharon  
**Subject:** Travelers United Today: Take air traffic control away from the government

## Travelers United Today: Take air traffic control away from the government

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### Take air traffic control away from the government

Posted: 21 Jul 2017 01:04 AM PDT

Air traffic operations should be run like a business As the debate about reform of the air traffic control (ATC) system continues, those against changing [...]

The post **Take air traffic control away from the government** appeared first on **Travelers United**.

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**From:** spinkerton  
**Sent:** Friday, July 21, 2017 2:11 PM  
**To:** spinkerton  
**Subject:** National & Local: PRO ATC Reform OpEd list

## **Air Traffic Control Reform Op-Eds, Editorials, Opinions & Letters-to-the-Editor**

### ***Nationally Published Opinions in Favor of ATC Reform***

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## Elwell, Daniel (FAA)

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**From:** spinkerton  
**Sent:** Sunday, July 23, 2017 7:18 PM  
**To:** spinkerton  
**Subject:** Pittsburgh Airport op-ed posted

### U.S. aviation is falling behind

Fixing air traffic control is crucial, but so is investing more in airport infrastructure

By: Christina Cassotis

<http://www.post-gazette.com/opinion/Op-Ed/2017/07/23/Fixing-air-traffic-control-is-crucial-but-so-is-investing-more-in-airport-infrastructure/stories/201707230066>

The world of air travel has dramatically changed over the past several decades. More people than ever are flying as our world becomes increasingly interconnected.

But our country's aviation system has not kept pace — either from an air traffic control standpoint or in terms of infrastructure. The system is stressed and rife with delays. A robust and well-functioning aviation system is an economic necessity to the country — and to southwestern Pennsylvania, where it supports billions of dollars in annual economic activity.

The federal government's efforts to modernize air traffic control have fallen short. Despite two decades of trying and enormous sums of money spent, our system is not equipped with the technology pilots and controllers need to keep pace with increasing demand. The bureaucratic process, political squabbles and short-term congressional stopgap funding have hindered the Federal Aviation Administration's ability to move forward.

Congress now is considering a bill that would improve that inefficiency. By allowing an independent, nonprofit body to manage the air traffic control system, we could make upgrades that are long overdue.

Management and funding would be streamlined by taking day-to-day operation of the system out of the hands of the politicized federal government, while allowing the FAA to focus solely on what it does best — regulating safety. This nonprofit would be overseen by a board of aviation-industry professionals whose focus would be doing what's best for the aviation system and traveling public.

Funding would come from user-based fees, as it does now, except that it wouldn't be subject to political whims, such as budget sequestration. For pilots who fly smaller planes, a separate fee structure should be considered.

Upgrading our outdated air traffic control system would allow planes to fly more direct routes and free them of the constraints and limitations necessitated by old technology. This would translate into shorter flights, fewer delays and reduced carbon emissions. Air traffic controllers also would be better able to monitor and manage aircraft, improving safety.

We know this kind of system can work. Canada, Britain, Australia and other developed countries around the world have implemented similar structures.

Of course, other measures also are needed to fix our broken, delay-prone system. Airline consolidation, which has resulted in pushing more and more people through fewer gateways, also is a problem. But air traffic control reform would certainly help.

Contrary to some claims, separating air traffic control from the federal government would not mean privatizing the nation's airspace, over which the FAA would remain in charge. But it would allow the United States to join the rest of the developed world in de-politicizing the operation and management of this critical aviation function.

An independent nonprofit with dedicated funding would be more nimble and able to more quickly deploy new technology. I respect the tough job of air traffic controllers. They do great work and keep pace with an ever-increasing number of flights. They deserve the best tools available.

Independent boards are nothing new in the United States. Leaders in Allegheny County in the 1990s spun off the county aviation department into the Allegheny County Airport Authority, a separate entity governed by a board of directors drawn from industry and government. This has allowed the authority to function like a business, while continuing to generate its own revenue and requiring no subsidies from county taxpayers. This structure has allowed us to make necessary investments in time, strategy, travel and resources to recruit airlines and support air travel in our region. It has paid off.

However, much like the air traffic control system, our airports also need to be upgraded. In Pittsburgh, a modernization plan is being developed as we determine what's best for our region, given that our facility is too big, with outdated infrastructure and technology. Airports around the country are assessing their long-term needs, and it's clear that the federal government must step up its funding for airport infrastructure.

We're disappointed that the bill now before Congress does not address this. User fees that fund airport infrastructure improvements were last raised in 2000, with inflation continuing to erode their buying power. Nevertheless, the lack of additional infrastructure investment should not delay essential reforms like those proposed for the air traffic control system.

The United States helped to pioneer aviation, and we must be open to new and better ways of doing things. We must embrace best practices. The effects of delays are felt from Pittsburgh to New York to Southern California, and to the rest of the world.

We have made much progress at Pittsburgh International Airport in the past two-and-a-half years. Nonstop destinations have increased to 68 from 37. Eight new airlines have started service, including WOW air to Iceland and Condor Airlines to Germany. We must continue to make progress, for our region and the entire aviation system.

We're encouraged by the prospects for air traffic control reform. It's not a cure-all, but it's a good first step.

Christina Cassotis is CEO of the Allegheny County Airport Authority, which owns and operates Pittsburgh International Airport and Allegheny County Airport.

## Elwell, Daniel (FAA)

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**From:** spinkerton  
**Sent:** Thursday, July 27, 2017 9:29 AM  
**To:** Brown, Chris C (FAA); Elwell, Daniel (FAA); Britt, Michael (OST); House, Mark S. EOP/WHO; Brown, Chris C (FAA)  
**Subject:** Don't Vote to Almost Double the Airport Tax - Wanted you all to see the video  
**Attachments:** 17-07-24 Consumers Want No New Airport Taxes And Fees.pdf; 17-07-27 Bigger Government Burdens on Air Travel Won't Fly with Taxpayers.pdf; ATR LOO PFC Increase in THUD Bill 7-24-17.pdf

The Senate Appropriations Subcommittee on Transportation (THUD) will vote this morning on a bill that includes a tax increase on airline passengers -- an increase that is almost double what it is today.

Don't vote to increase taxes!

<https://m.youtube.com/watch?v=MjMBeioCdFA>

And, ICYMI, see what others are also saying (Attached and Below):

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### Senate Appropriations Committee Set to Vote on Massive Tax Increase for the Business Traveler

**Alexandria, VA** (July 26, 2017) – Yesterday, the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies voted to approve a proposal included in the FY2018 Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations Act, that would raise the Passenger Facility Charge (PFC) from \$4.50 to \$8.50. Michael W. McCormick, GBTA executive director and COO, **sent a letter to the Senate Appropriations Committee expressing concern regarding the unintended consequences of such a fee increase on the business traveler. A copy of that letter can be found [here](#).** The Senate Appropriations Committee is expected to consider the proposal tomorrow.

"This is another example of how legislators are trading the word user fee for tax," said Michael W. McCormick, GBTA executive director and COO. **"But an increase in the PFC is just that, another tax increase.** This precipitous hike in the PFC will result in a **\$3.2 billion tax increase** on the business traveler. Business travel is an economic driver, which has an ROI that can be measured in jobs, sales receipts and state and local tax revenue. More taxes reduce the economic value of business travel."

A [study released this month](#) by the GBTA Foundation, GBTA's education and research arm, found that for every 1 percent change in business travel spending, the U.S. economy gains or loses 74,000 jobs, \$5.5 billion in GDP, \$3.3 billion in wages and \$1.3 billion in taxes. Conversely, taxes and fees associated with travel have the opposite effect.

If enacted, the potential impact of the proposed PFC hike in the Senate FY2018 THUD Appropriations Act for 2018 is as follows:

- A reduction of \$2.74 billion of airline tickets sold in the United States
- A decrease of \$3.5 billion in U.S. GDP
- Job loss by nearly 500,000 jobs

### About the Global Business Travel Association

The Global Business Travel Association (GBTA) is the world's premier business travel and meetings trade organization headquartered in the Washington, D.C. area with operations on six continents. GBTA's 9,000-plus members manage more than \$345 billion of global business travel and meetings expenditures annually. GBTA and the GBTA Foundation deliver world-class education, events, research, advocacy and media to a growing global network of more than 28,000 travel professionals and 125,000 active contacts. To learn how business travel drives lasting business growth, visit [www.gbta.org](http://www.gbta.org).





1200 N. Nash Street, Suite 554, Arlington, VA 22209  
202-713-9596 • charles.leocha@travelersunited.org

**DATE:** July 24, 2017

**TO:** MEMBERS OF THE SENATE APPROPRIATIONS COMMITTEE

**SUBJECT: CONSUMERS WANT NO NEW AIRPORT TAXES AND FEES**

- **No increases in taxes and fees should be included in the FAA Bill**
- **Government taxes and fees charged airline passengers are extraordinary high**
- **Localities enjoying the benefits of airports should pay their fair share**

Airline passengers are being unfairly singled out for an undue tax burden — our TSA security fees have increased and the immigration and agriculture inspection fees have gone up. These are mandatory fees that single out aviation consumers — those taking other modes of transportation don't pay security fees, and those arriving across the border by car, train or bus don't pay inspection fees.

Consumers are paying more than enough. Localities have a responsibility to pay for infrastructure that supports their community, real estate investments and businesses. These costs should not be borne solely by airline passengers.

**Please, do not rubber-stamp an increase in PFCs or other fees**

When mandatory taxes and fees are increased by more than 75 percent in one fell swoop, legislators need to take a second look.

The first tax- and fee-payer reaction is, "Enough is enough!" But, the public citizen in us realizes that airports don't function without investments and that many economic benefits flow to cities and towns because of a well-functioning aviation network. So, Travelers United took a deeper look at whether the airports really needed this money.

**Airports benefit the community — localities should pay their fair share. They don't.**

Another consideration is the benefit that an efficient and busy airport brings to a community. Everyone benefits from new airport construction. But only the passengers are paying.

Although airports are financed with municipal bonds, the bonds are paid for in a large part by using passenger facility charge incomes. The April 2015 GAO study titled *Information on Funding Sources and Planned Capital Development* states that airports plan to spend 74 percent of their PFC revenues on debt service.

In other words, even supposed local bonds are paid for using passenger funds. That is simply not fair to the flying public. The localities that are enjoying the economic spillover from successful airports should be forking over their fair share.



### **Airports and localities have plenty of access to funding**

For all of the weeping and wailing about the need for more taxes, Travelers United found an airport financial ecosystem flush with cash. Unlike our highway systems, where potholes are not filled and bridges crumble, and our skeletal, lackluster national passenger rail network, the airport system is state-of-the-art. Airports are fancy architectural masterpieces with massive road and rail access, surrounded by millions of dollars of commercial buildings, warehouses and freight handler offices that pay plenty of taxes, just not directly to airports.

- *Most of the the big terminal construction projects are jointly financed by airports and airlines together.*
- *Most of the airports have high A-rated bonds that make borrowing money easy, and at low interest rates.*
- *Airport infrastructure bank accounts are enormous, with an uncommitted balance of about \$11.4 billion of unrestricted cash and investments. (Even if not one tax was collected next year, this nest egg would support almost every planned airport construction project.)*
- *Other federal programs that support airport construction and safety enhancements are also enjoying plenty of cash. The Airport and Airway Trust Fund has \$6 billion in the bank for future airport construction spending.*
- *The airports just collected more than \$24 billion in revenues in 2014.*
- *The average collection per-passenger has far exceeded the inflation rate over the past 15 years.*

At the same time, the income of average Americans has been flat. If consumers' incomes had increased by 52 percent over the past decade — like the income of airports — travelers wouldn't be so concerned. However, as the economy has grown, the average worker's income has been lagging.

### **Taxes on passengers are extraordinary**

Currently, consumers pay more taxes for the pleasure of flying than for almost any other activity in the country. Every passenger on a one-stop, round-trip flight has to fork over \$11.20 for the TSA Security Fee. Passengers then pay a \$4.50 passenger facility charge (PFC) for each takeoff or landing. This adds up to \$18 for a connecting round-trip flight. In addition, a US Federal Segment Fee adds \$4 to every take-off on a domestic flight — \$16 for a connecting round-trip flight.

Today, passengers are paying \$45.20 even *before* they have to pay the 7.5 percent transportation excise tax that is included in the airfare.

For a family of four spending \$200 apiece on airfare, that means an excise tax of \$60 plus \$45.20 — a total of \$105.20 in taxes. By the time the taxes are figured into the cost of travel, the effective tax rate is 21 percent on average.

Worse, according to Uncle Sam, passengers aren't paying enough. The President, in his budget, and other businesses that work with airports, think passengers should pay even more!

### **PFC and other airline fee math adds up to big consumer costs**

The current rate passenger facility charge is \$4.50 per boarding; however, the airports and the administration are asking that this fee be increased to \$8 per boarding or more.

Should this happen, passengers will be paying \$32 in passenger facility charges for every one-stop round-trip. That, added to the security fee, adds up to \$43.20. And, don't forget the \$16 in segment fees. Then, when the excise taxes are figured into a \$200 airfare, the total tax ends up being \$59.20 for an individual and \$232.80 for a family of four. All this is before even a penny in airfare is added.

Travelers United has heard advocates for the tax increase say, "It's only a small increase in tax." However, that assumes flights are all one way. Since most travelers like to come home, this means the fee (tax) is doubled. These tax advocates also assume that the flights are non-stop. However, most flights on network carriers stop at one of the major airline hubs. The \$3.50 or \$4 increase is really a \$14 increase when one-stop and a round-trip are involved. If legislators think about a family of four, the increase is \$56, a serious chunk of change for the average American family.

Travelers United can understand why chambers of commerce and local tourism officials are all supporting the increase in passenger facility charges — it is free money for them to pour into local jobs. But, for passengers taking off and landing at those airports it is an unfair subsidy and an unnecessary one.

Travelers United firmly rejects any need for any increase in government taxes and fees that fall on air travelers. Other stakeholders should pay their share. We are already paying more than our fair share.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Leocha", with a long horizontal flourish extending to the right.

Charles Leocha  
Chairman, Travelers United  
[charles.leocha@travelersunited.org](mailto:charles.leocha@travelersunited.org), tel. 202-913-9596



July 27, 2017

**An Open Letter to the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies: Bigger Government Burdens on Air Travel Won't Fly with Taxpayers!**

Dear Chairman Collins, Ranking Member Reed, and Members of the Subcommittee:

During a Subcommittee markup hearing today of the FY 2018 Transportation, Housing and Urban Development, & Related Agencies Appropriations bill, we understand that the Manager's Amendment to the legislation will call for an increase in the Passenger Facility Charge (PFC). On behalf of National Taxpayers Union's (NTU) members across America, I write to offer our perspectives and concerns over such proposals. Raising the net government tax and fee burden on air travel, which is already incredibly onerous, should not be among the policy options contemplated in the Subcommittee.

It may be true that economic factors have eroded the buying power of a PFC since its last increase to \$4.50 in the year 2000. Yet, FAA data shows that overall PFC collections have still managed to climb 94.9 percent between 2000 and 2015. This trend is almost twice as fast as the increase in the Consumer Price Index for All Urban Consumers, plus the rise in passenger enplanements at primary U.S. airports, over the same period (2015 was the most recent year for consistent data on all three factors when NTU last conducted this analysis).

There are other ways to measure this trend, such as comparing the PFC's value to a construction cost index. The problem with doing so is that flawed government policies, such as project-labor rules and antiquated building regulations, can help to drive up those indices even as materials get more expensive. Indeed, it is directly within the purview of Congress to address some of the root causes behind higher construction costs in a pro-taxpayer manner.

Unfortunately, it is also true that since the year 2000, Americans have been hit with increases in the plethora of government-authorized levies on air travel. The most recent imposition more than doubled the passenger security fee as part of a revenue-raising exercise in the Bipartisan Budget Act. The Administration's budget outline already envisions a steep increase in this fee which, if enacted by Congress, would exacerbate the problem.

Whatever mix of taxes, fees, and charges Congress decides to permit on air travel, and whatever the merits or drawbacks of PFCs may be, lawmakers have a special responsibility to ensure that the net bottom-line cost of government on an airline ticket and system users does not become even less affordable.

Indeed, that cost could actually shrink if, for example, the Senate were to support an FAA reauthorization bill incorporating pro-taxpayer reforms such as: replacing FAA-funded air traffic control with a user-based system, further expanding private security screening contracts at airports, facilitating more public-private partnerships in airport development through tax and other policy changes, and reexamining lower-priority FAA programs.

While these policies are not necessarily within the Subcommittee's jurisdiction, we would note that your colleagues on the Commerce, Science, and Transportation Committee recently declined to include air traffic control reform in their FAA reauthorization package. This makes the Subcommittee's isolated action on PFCs more difficult for taxpayers to comprehend.

The typical middle class air traveler now pays a far higher average tax rate on an airline ticket (21 percent) than he or she does on a 1040 income tax return. Congress should be working to remedy this situation with comprehensive reforms that respect all stakeholders in the aviation system.

Sincerely,

Pete Sepp, President



## AMERICANS for TAX REFORM

July 24, 2017

The Honorable Thad Cochran  
Chairman  
Senate Appropriations Committee  
S-128 The Capitol  
Washington, DC 20510

The Honorable Patrick Leahy  
Ranking Member  
Senate Appropriations Committee  
S-128 The Capitol  
Washington, DC 20510

The Honorable Susan Collins,  
Chairwoman  
Transportation, Housing & Urban Development Subcommittee  
186 Dirksen Senate Office Building  
Washington, DC 2051

The Honorable Jack Reed  
Ranking Member  
Transportation, Housing & Urban Development Subcommittee  
S-146A The Capitol  
Washington, DC 20510

Dear Members of the Senate Appropriations Committee:

On behalf of Americans for Tax Reform (ATR), and millions of taxpayers nationwide, I write to reiterate ATR's long held opposition to efforts to increase the fee known as the Passenger Facility Charge (PFC).

**ATR is specifically opposed to any efforts to include a PFC increase in the 2018 Senate Transportation, Housing and Urban Development Appropriations Act.**

As you may know, many airports, along with the Federal Aviation Administration (FAA), have advocated for increasing the PFC, arguing such an increase is needed in order to continue infrastructure investments. However, it is entirely possible for airports to continue making such improvements without increasing the cost of flying.

According to recent financial reports filed with the FAA, US airports have over \$12.7 billion in unrestricted cash and investments on hand, which equates to 362 days of liquidity. Additionally, the Airport and Airway Trust Fund (AATF) is at its highest level since 2001, with an uncommitted balance of \$6 billion.

FAA reports show that U.S. airports brought in a record \$27 billion in 2015 alone. This included record highs of \$10.7 billion from airline rents and fees and \$9.1 billion from non-airline revenues such as retail and food and beverage.

Government taxes and fees already overburden air passengers – taxes make up over 20% of the cost of an average domestic flight. In 2016 the PFC brought in a record high of over \$3.1 billion and revenue for 2017 is projected to increase to over \$3.36 billion.

**It is for these reasons that ATR opposes any efforts to include a PFC increase in the 2018 Senate Transportation, Housing and Urban Development Appropriations Act.**

Sincerely,

Grover G. Norquist  
President  
Americans for Tax Reform

722 12<sup>th</sup> Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

[www.ATR.org](http://www.ATR.org)

**Elwell, Daniel (FAA)**

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**From:** spinkerton  
**Sent:** Sunday, July 30, 2017 8:30 PM  
**To:** spinkerton  
**Subject:** Op-ed in Newsweek: why are private jets being subsidized by you and me?

<http://www.newsweek.com/why-are-private-jets-being-subsidized-you-and-me-641890>

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Why are private jet passengers being subsidized by you and me? | Opinion

[www.newsweek.com](http://www.newsweek.com)

Corporate jets use \$1 billion of air traffic control resources, but contribute only \$200 million, letting commercial passengers pick up their tab.

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# WHY ARE PRIVATE JETS BEING SUBSIDIZED BY YOU AND ME?

BY **DREW JOHNSON** ON 7/30/17 AT 6:40 AM

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SHARE

## OPINION

## JETS

The National Business Aviation Association's (NBAA) vocal opposition to modernizing the air traffic control (ATC) system has more to do with preserving the status quo for private jet owners than protecting the interests of the flying public.

The NBAA has frequently opposed proposals to modernize the nation's ATC system on the basis that reforming it will require corporate jets to pay for their use of the system instead of relying on airline passenger taxes to foot their share of the bill.

Yet for years, many of its corporate members have milked a set of tax loopholes that allow private jet owners to lower their tax burden and pass on the cost of their travel to consumers.



**A Dassault Falcon 8X flies on June 12, 2015 prior to the opening of the International Paris Airshow at Le Bourget.**

**ERIC PIERMONT/AFP/GETTY**



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Private jet owners can write off much of the cost of their aircraft at the expense of commercial passengers and taxpayers. The IRS permits owners to deduct the depreciation on commercial jets over a five-year period — two years faster than commercial airlines. This gap allows a corporate owner to write off as much as 60 percent of the value of a company jet in the first three years.

Even though corporate jets use almost \$1 billion of air traffic control resources, they only contribute around \$200 million in fuel taxes, letting commercial passengers pick up their tab.

Generally, corporate jets are exempt from the Federal Aviation Administration's (FAA) air transportation tax, a fee on the number of passengers and amount of cargo transported, which funds 95 percent of ATC operations.

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The maintenance and improvement of the ATC system's equipment and infrastructure is paid through the Airport and Airway Trust Fund (AATF), which is made up of excise taxes collected on aviation fuel, passenger transport and use of international air facilities.

While general aviation is at least subject to the fuel tax, high-end general aviation aircraft — the majority of which are corporate-owned — contributed only about 1 percent of the AATF's receipts in 2014, despite using an estimated 10 percent of the system the AATF supports.

The NBAA has been living the special interest dream for way too long. Instead of blocking efforts to modernize ATC, it should stop standing in the way of making long-needed improvements to the dated system.

While today's automobiles can use hyper-accurate GPS to practically drive themselves, U.S. ATC continues to rely on a ground-based radar system first developed in 1943. Deployment of NextGen, a satellite-based upgrade to flight navigation and communications, has been languishing under a bloated government bureaucracy and hamstrung by a congressional budget process that funds it in fits-and-starts.

Proposals to modernize the system would transfer authority for managing all but the safety functions of ATC from the FAA to a federally-chartered, nonprofit entity where NextGen improvements could be deployed more swiftly, minimizing flight delays, reducing fuel consumption and lowering carbon emissions.

Everyone benefits from an ATC system that is state-of-the-art, agile, sustainable and safe, and the system's users should pay their fair share for its maintenance. As Congress advances proposals to transform our nation's ATC, the NBAA needs to put

aside the interests of corporate jet owners and support a proposal that will benefit the rest of the country — which flies coach.

*Drew Johnson is Senior Fellow at the [Taxpayer Protection Alliance](#), a non-partisan nonprofit think tank dedicated to exposing the effects of government policy on deficits and debt.*

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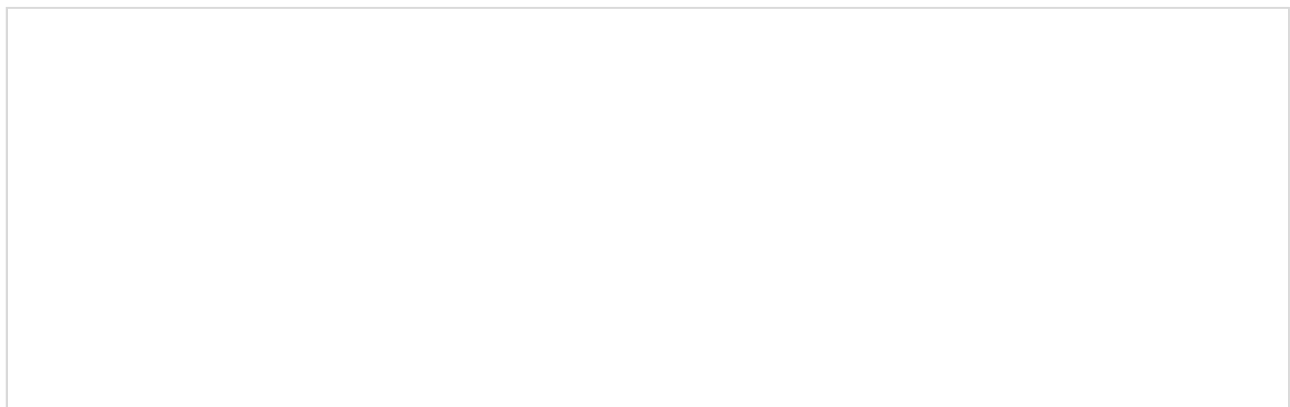


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**Elwell, Daniel (FAA)**

---

**From:** spinkerton  
**Sent:** Wednesday, August 02, 2017 1:23 PM  
**To:** spinkerton  
**Subject:** Partnership for NY ATC Reform Letter sent today to entire NY delegation  
**Attachments:** PFNYC ATC Reform Support Letter\_Donovan.pdf

Thanks B6!

>  
>  
>

> Sent from my BlackBerry 10 smartphone on the Verizon Wireless 4G LTE network.



August 1, 2017

The Honorable Daniel Donovan  
1541 Longworth House Office Building  
U.S. House of Representatives  
Washington, D.C., 20515

Dear Representative Donovan:

The Partnership for New York City represents the city's business leaders and largest private sector employers. We work together with government, labor and the nonprofit sectors to promote economic growth and maintain the city's position as a global center of commerce and innovation. Partnership members account for over 7 million American jobs and contribute over \$900 billion to the national GDP.

We write today in support of the Air Traffic Control (ATC) reform provision in H.R. 2997, the 21<sup>st</sup> Century Aviation Innovation, Reform, and Reauthorization Act which would transfer ATC management and operations from the Federal Aviation Administration (FAA) to a nonprofit entity governed by a board of aviation users, while maintaining the FAA as the safety regulator.

The United States may have the safest airspace in the world but far from the most efficient. New York's airports account for nearly three quarters of our nation's delays and over \$2.6 billion annually in economic losses. Absent major reform, we will experience increased flight delays and airspace congestion, which add to the cost of air travel and result in lost productivity for individual businesses and the American economy as a whole.

Adoption of the ATC reform provision in H.R. 2997 will allow for increased investment in, and quicker implementation of, necessary upgrades and important projects such as satellite-based air traffic management. Under the current system it will be impossible to meet growing demands for air travel services and remain globally competitive.

As Congress works to reauthorize the FAA ahead of its September 30th expiration, we urge you to support legislation that includes ATC reform. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathryn S. Wylde".

Kathryn S. Wylde  
President & CEO  
Partnership for New York City



## Elwell, Daniel (FAA)

---

**From:** pmcgraw@airlines.org  
**Sent:** Wednesday, August 02, 2017 4:16 PM  
**To:** Elwell, Daniel (FAA)  
**Subject:** RE: New Cockpit Technology at Sea-Tac Airport

LOL !!

---

**From:** Daniel.Elwell@faa.gov [mailto:Daniel.Elwell@faa.gov]  
**Sent:** Wednesday, August 02, 2017 4:15 PM  
**To:** McGraw, Paul <pmcgraw@airlines.org>  
**Subject:** RE: New Cockpit Technology at Sea-Tac Airport

You shut your mouth when you're talking to me! This is a highly successful program which has already saved the known universe \$2.5 quadrillion.

By the way...can you say "seat pitch"?

Dan Elwell  
Deputy Administrator, FAA  
(202) 267-8111

---

**From:** pmcgraw@airlines.org  
**Sent:** Wednesday, August 02, 2017 3:09 PM  
**To:** Elwell, Daniel (FAA)  
**Subject:** FW: New Cockpit Technology at Sea-Tac Airport

Congratulations! On time and under budget. We can now get departure clearances via data comm ☺ Didn't you work on this in the early 1990's at AA ?

---

**From:** Federal Aviation Administration [mailto:usafaa@public.govdelivery.com]  
**Sent:** Wednesday, August 02, 2017 2:56 PM  
**To:** McGraw, Paul <pmcgraw@airlines.org>  
**Subject:** New Cockpit Technology at Sea-Tac Airport

[illegible]

# New Cockpit Technology at Sea-Tac Airport

**August 2** - The Federal Aviation Administration (FAA) is bringing new benefits to Seattle-Tacoma International Airport through a technology called [Data Comm](#). Data Comm revolutionizes communications between air traffic controllers and pilots by replacing some traditional voice communications with digital information exchanges.

Voice communication is labor intensive, time consuming and can lead to miscommunications known as “talk back, read back” errors. [Data Comm](#), by contrast, enables streamlined, two-way data exchanges between controllers and flight crews for clearances, instructions, advisories, flight crew requests and reports.

By exchanging digital messages, air traffic controllers, pilots and airline operations centers can communicate more clearly and efficiently. Better communication improves controller and pilot productivity, improves safety, can reduce flight delays and can help aircraft fly more direct routes, which saves time and fuel while reducing aviation’s impact on the environment. Several U.S. carriers are benefiting from [Data Comm](#) capabilities at Seattle, including Alaska Airlines, FedEx, UPS, American Airlines, and Delta Air Lines.

The FAA began testing [Data Comm capabilities and benefits](#) in 2014 at Newark and Memphis with UPS, FedEx and United Airlines, as well as select international operators. The FAA started deploying Data Comm in air traffic control towers in the fall of 2015. The technology will be installed in air traffic control facilities that manage high altitude traffic beginning in 2019.

[Data Comm](#) is now operational at the 55 air traffic control towers listed below. Its rollout is under budget and more than two-and-a-half years ahead of schedule. That budget savings will enable the FAA to deploy Data Comm at even more airports.

Albuquerque  
Atlanta  
Austin  
Baltimore-Washington  
Boston  
Burbank  
[Charlotte](#)  
[Chicago O’Hare](#)  
Chicago Midway  
Cleveland  
Dallas-Ft. Worth  
Dallas Love  
Denver  
Detroit  
Fort Lauderdale  
Houston Bush  
Houston Hobby  
Indianapolis  
Kansas City  
Las Vegas  
[Los Angeles](#)

Louisville  
Memphis  
[Miami](#)  
[Minneapolis-St. Paul](#)  
Milwaukee  
Nashville  
Newark  
New Orleans  
New York John F. Kennedy  
[New York LaGuardia](#)  
Oakland  
Ontario  
Orlando  
Philadelphia  
Phoenix  
Pittsburgh  
Portland  
Raleigh-Durham  
Sacramento  
San Juan  
St. Louis  
[Salt Lake City](#)  
San Antonio  
San Diego  
San Francisco  
San Jose  
Santa Ana  
Seattle  
Tampa  
Teterboro  
[Washington Dulles](#)  
Washington Reagan  
Westchester County  
Windsor Locks (Bradley)

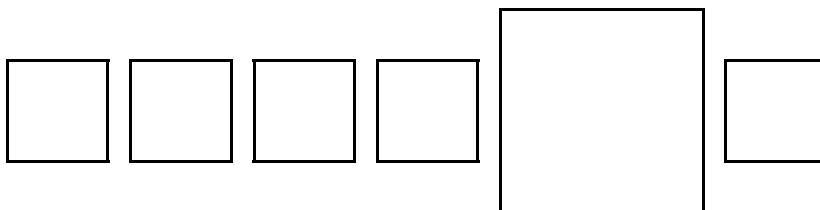
For more information, visit <http://www.faa.gov/nextgen> or follow #FlyNextGen on Social Media.

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**Please do not reply to this message. See our [Contact FAA](#) page for contact information.**

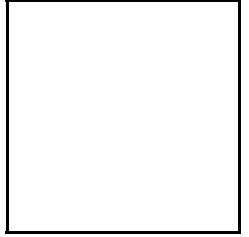
---

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This email was sent to [pmcgraw@airlines.org](mailto:pmcgraw@airlines.org) using GovDelivery Communications Cloud on behalf of: U.S. Federal Aviation Administration · 800 Independence Avenue, SW · Washington, DC 20591 · 1-866-TELL-FAA (1-866-835-5322)



■

**Elwell, Daniel (FAA)**

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**From:** pmcgraw@airlines.org  
**Sent:** Saturday, September 23, 2017 5:33 PM  
**To:** Elwell, Daniel (FAA)  
**Cc:** Nolen, Billy  
**Subject:** Re: SJU

Thx Dan

> On Sep 23, 2017, at 5:27 PM, "Daniel.Elwell@faa.gov" <Daniel.Elwell@faa.gov> wrote:  
>  
> Let me know if you guys have questions or if you need info for your members re SJU situation.  
>  
> Very fluid right now. CERAP is down, VFR sequencing.  
>  
> Sent from my iPhone

## Elwell, Daniel (FAA)

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**From:** nyoung@airlines.org  
**Sent:** Thursday, October 05, 2017 3:57 PM  
**To:** johnpaul  
**Cc:** Valerie Manning; Boll, Nathan; rjhans; Elwell, Daniel (FAA); Aboulafia, Richard; Moloney, Michael; Angleman, Alan  
**Subject:** Re: UPDATE: NAS ASEB Aero 2050 Panel Participation 12 October - preparation

I may be about 5 minutes late to the call. If so, I apologize in advance. In a taxi trying to get to a place to quietly dial in!

Sent from my iPhone

On Oct 5, 2017, at 2:07 PM, Clarke, John-Paul B <[johnpaul@gatech.edu](mailto:johnpaul@gatech.edu)> wrote:

Valerie,

I will try to call in tonight if I am able – I will be in a location where I will likely not have a good mobile signal. Otherwise, we will speak tomorrow.

J-P.

John-Paul Clarke, Sc.D.  
College of Engineering Dean's Professor,  
Daniel Guggenheim School of Aerospace Engineering and (by courtesy)  
H. Milton Stewart School of Industrial and Systems Engineering  
Director, Air Transportation Laboratory  
Georgia Institute of Technology

(b) (6)

F: +1.404.894.2760

E: [johnpaul@gatech.edu](mailto:johnpaul@gatech.edu)

S: 270 Ferst Drive, N.W., Atlanta, GA 30332-0150

On Oct 5, 2017, at 8:09 AM, Valerie Manning <[valmansu@mac.com](mailto:valmansu@mac.com)> wrote:

Greetings all,

I look forward to speaking with you later today (tonight for me). It seems as though John-Paul may not be able to make it, if this is the case, I can follow up with you tomorrow John-Paul, perhaps at 1500h EDT / 2100 CET.

-Valerie

On Oct 3, 2017, at 4:16 PM, Boll, Nathan <[NBoll@nas.edu](mailto:NBoll@nas.edu)> wrote:

Good morning, all-

The information for calling into the telecon with Valerie Manning for Aero 2050 Session 2 is copied below. A calendar invite and a current agenda are also attached.

- Dial into the call using one of the numbers provided (Valerie, please follow the link to global numbers)
- Enter conference code at prompt

I have also invited Richard Aboulafia to join the call, as he will be giving a talk immediately following Session 2 (see agenda).

Please let me know if you have any questions.

Best regards,  
Nathan

-----  
To join by telephone  
-----

(b) (6) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

-----  
For assistance  
-----

If you experience any technical difficulties, please contact technical support at 1-800-508-8758.

You can contact me at:

[nboll@nas.edu](mailto:nboll@nas.edu)

(b) (6) [REDACTED]

Add this meeting to your calendar (Cannot add from mobile devices):  
<https://nationalacademies.webex.com/nationalacademies/j.php?MTID=m31b017e5f7032ced3237e88a511e7380>

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**From:** Valerie Manning [<mailto:valmansu@mac.com>]  
**Sent:** Tuesday, October 03, 2017 3:23 AM  
**To:** JOHN HANSMAN; DAN ELWELL; NANCY YOUNG; JP CLARKE  
**Cc:** Boll, Nathan  
**Subject:** UPDATE: NAS ASEB Aero 2050 Panel Participation 12 October - preparation

Greetings again,



The call will take place on Thursday, 5 October, at 1600h EDT, 2200h CET. If any availability changes, please let me know. Nathan, I'd appreciate it if you could provide us with a call-in number and set up the call.

I look forward to meeting you all virtually, and I wish you a good week in the meantime,

Valerie

On Oct 3, 2017, at 4:36 AM, Valerie Manning  
<[valmansu@mac.com](mailto:valmansu@mac.com)> wrote:

Greetings again all,

I can confirm that the call will not take place on Tuesday - so for those who have not responded, I am interested your availability for Thursday and beyond. Have a great evening!

-Valerie

On Sep 30, 2017, at 4:46 PM,  
Valerie Manning  
<[valmansu@mac.com](mailto:valmansu@mac.com)> wrote:

Greetings all,

You have agreed to participate as a speaker or panel member at the NAS ASEB Aero2050 Symposium in the session titled "Current Challenges for Aviation". I am a member of the board and will moderate the session. I have read your bios and you are certainly suited for the task. I imagine you may know one another, but I have attached your bios (and mine) to this mail for your reference.

Note that we will be following the session on "60 Years of Aviation and Aeronautics in the Jet Age" and preceding the "Future Visions -

Commercial Air Travel” session. You’ll see that for our panel the list of session themes is long, so I imagine I will want to cluster or focus, and I am interested in your thoughts. I would appreciate it if we could also have a call during this coming week to align on the context, the targeted themes and topics, and the format of the Panel discussion.

I have prepared a doodle poll to try and find a time. It seems as though you may all potentially be on the East Coast - I will be in France, so let’s see if we can find something that works. Please note that the Doodle is entered in the CET (Central European Time) time zone, but it is supposed to translate. To avoid doubt, the first time slot on 3 October is 18:00 (6pm) CET thus 12:00 (noon) EDT.

<https://doodle.com/poll/wyfryvwvuk92kkfm>

I look forward to your responses. In the meantime, feel free to “reply all” with any thoughts.

Many thanks,  
  
Valerie Manning

<Aero2050 Session 2 Bios.pdf>

| Session 2: Current Challenges for Aviation |   |  |
|--|---|--|
| 10:45 am                                   | <b>Session Themes:</b> Congestion, noise, environmental, travel experience, security, labor competition |  |
|  | <b>Moderator: Introductions and Opening Comments</b><br>(5 minutes)                                     | <b>Moderator: Valerie Manning</b>      |
|  | <b>Presentation: Introduction to the Theme</b><br>(15 mins)   | <b>John Hansman</b>                    |
|  | <b>Moderated Panel Discussion</b><br>(25 min)   | <b>PANELISTS:</b><br>• <b>Nancy Yo</b> |

- **Dan Elwe**  
Administra
  - **JP Clarke,**
- 

<WebEx\_Meeting.ics><Aero2050 Agenda Draft as of 2017-10-02.pdf>

**Elwell, Daniel (FAA)**

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**From:** spinkerton  
**Sent:** Thursday, November 09, 2017 9:56 AM  
**To:** spinkerton  
**Subject:** Travelers United Today: 90 percent of travelers reject increased airport taxes

## Travelers United Today: 90 percent of travelers reject increased airport taxes

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### 90 percent of travelers reject increased airport taxes

Posted: 08 Nov 2017 08:00 AM PST

A new survey dramatically shows voters overwhelmingly oppose a proposed 89 percent increase in an airport tax according to a nationwide poll. Stopping the Senate-proposed increase in the Passenger Facility Charge (PFC) has been spearheaded by both Travelers United and Airlines for America, the main airline association in Washington, DC. Nine out of 10 passengers oppose increased airport taxes.

The post **90 percent of travelers reject increased airport taxes** appeared first on **Travelers United**.

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✦ [Discuss on Newsline](#) ✦ [Tweet This!](#)

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You are subscribed to email updates from [Travelers United](#).  
To stop receiving these emails, you may [unsubscribe now](#).

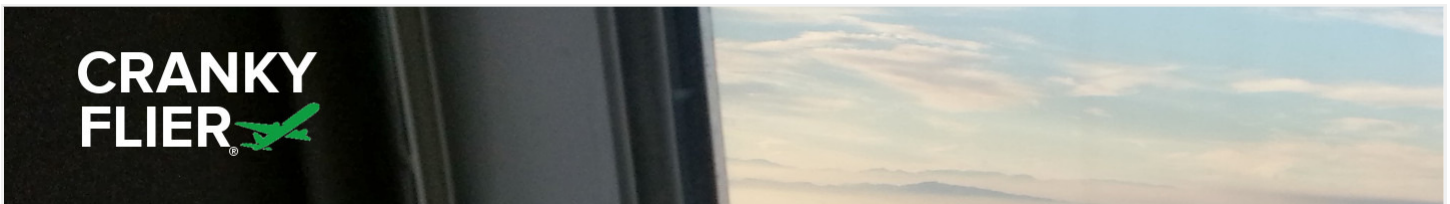
Email delivery powered by Google

Google Inc., 1600 Amphitheatre Parkway, Mountain View, CA 94043, United States

**Elwell, Daniel (FAA)**

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**From:** spinkerton  
**Sent:** Thursday, November 09, 2017 9:58 AM  
**To:** spinkerton  
**Subject:** Airlines support airport infrastructure - - and you don't need to almost double the PFC tax to do it!



On Tuesday, Kansas City voters overwhelmingly approved a new single terminal at the airport. Though polls showed it could have ... [Read More](#)

## With the New Terminal Approved, Southwest Sees Opportunity in Kansas City

On Tuesday, [Kansas City voters overwhelmingly approved a new single terminal at the airport](#). Though polls showed it could have been a nail-biter, it wasn't. The residents came to their senses and decided to move forward. After [my post last week talking about the situation](#), I spoke with Steve Sisneros, Senior Director of Airport Affairs for Southwest about what it would mean if the vote passed. Now that it has, here's what residents can look forward to.



The problems with the old terminal were fairly obvious to an outsider. The buildings were incredibly narrow, and the requirement to install increasingly bulky security equipment made it really challenging to create a decent customer experience. Local passengers loved the ability to get dropped off at the door and walk just a few feet to get to the gate, but that's just not a practical way to build an airport these days. The customer experience suffered, but sometimes, the airlines don't care about that. In this case, they did.

Southwest is the largest airline at the airport, and it wants to do more. I'll let Steve explain what has been holding the airline back.

Kansas City, geographically, is ideally situated mid-continent.... St Louis is a good comparison because it's a similar size market and we specifically create what we call ICOs, "Intentional Connect Opportunities" where we create more schedules to create connecting opportunities.... In Kansas City we do have connecting flights but we just don't have it to that degree [as in St Louis], so the way our head of commercial has described it is that we specifically throttle down [Kansas City] because the customer experience is so bad.

Airlines can operate in some pretty terrible facilities (see: LaGuardia), so that's quite the indictment when an airline says it can't operate more flights specifically because the terminal is such a mess. It's not like there's a shortage of gates, either. It just doesn't function well enough to support Southwest's desired operation.

Once the new terminal opens, Southwest will have the greenlight to grow further. St Louis might not like that.

We specifically flow more over St Louis from a mid-continent geographic perspective than we do over Kansas City, and that's done purposefully. We have probably 25 to 30 more flights in St Louis than [Kansas City] because of that.

Well heck, how could the voters not have approved? Some were concerned that Southwest wouldn't actually commit to adding 25 to 30 more flights. By the time the terminal opens, who knows what the environment will be like, so that's fair. No airline can commit to something that specific several years down the line. But this is as clear of a signal as I've seen that Southwest will grow.

What might those additional flights look like?

There are some markets where the local market won't support it, say Seattle. We may serve it nonstop from [Kansas City] during the summer but not the winter. But if you have connections that flow over [Kansas City], that may turn that seasonal Seattle nonstop into year-round.

It's also not just the number of flights, but the size of the airplane. As of now, Steve says that Southwest isn't intentionally holding back larger 175-seat 737-800s and MAX 8s. But as the fleet mix continues to shift toward those larger airplanes from the smaller 143-seat 737-700s, it will need to hold back bigger airplanes until the terminal opens.

Some were concerned about the price tag (including some comments in last week's post). Southwest says the price tag isn't out of line here. If it were a proverbial "Taj Mahal," Southwest wouldn't be supporting this. Even though a billion dollars sounds like a lot, there are many things to help offset that cost. Thanks to the cramped nature of the facility today, Steve notes that "Kansas City has one of the lowest concession programs in the country" in terms of revenue generated. A new terminal will change that and start to fill the coffers. With cost per enplanement pegged to about \$9 once this is done, the airlines aren't overly concerned.

A few locals may still not be happy that this means the end of the short walk from car to gate, but they can take solace in one huge improvement. Kansas City still does not have an inline baggage system today, so if you check your bag, you have to lug it over to a scanner from the ticket counter after getting it tagged. The new facility will fix all that.

Congratulations to everyone in Kansas City for making the right choice. Now... the long process to build the terminal can finally begin.



Reply to this email to add a comment. Your email address will not be shown.

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## Elwell, Daniel (FAA)

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**From:** spinkerton  
**Sent:** Thursday, November 16, 2017 3:11 PM  
**To:** Elwell, Daniel (FAA)  
**Subject:** Nicely done!!  
**Attachments:** IMG\_0036.jpg; ATT00001.txt





**Forces to Flyers**



## Elwell, Daniel (FAA)

---

**From:** spinkerton  
**Sent:** Thursday, November 16, 2017 4:18 PM  
**To:** Elwell, Daniel (FAA)  
**Subject:** RE: Nicely done!!

(b) (6) !

---

**From:** Daniel.Elwell@faa.gov [mailto:Daniel.Elwell@faa.gov]  
**Sent:** Thursday, November 16, 2017 3:38 PM  
**To:** Pinkerton, Sharon  
**Subject:** Re: Nicely done!!

Thanks. I didn't know you were there! Had to duck out to another meeting.

(b) (6)

Sent from my iPhone

On Nov 16, 2017, at 3:10 PM, spinkerton <[spinkerton@airlines.org](mailto:spinkerton@airlines.org)> wrote:

<IMG\_0036.jpg>

Sent from my iPhone

## Elwell, Daniel (FAA)

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**From:** spinkerton  
**Sent:** Thursday, November 30, 2017 12:06 PM  
**To:** Britt, Michael (OST); Brown, Chris C (FAA); Elwell, Daniel (FAA)  
**Subject:** A4A Holiday Party next week  
**Attachments:** A4A FAA Ethics Questionnaire 2017 Final.pdf; RE: A4A Holiday Reception

Apparently, Administrator Huerta is planning to attend. DJ is also attending.

We hope you all can make it!

---

**From:** [lisa.baccus@faa.gov](mailto:lisa.baccus@faa.gov) [<mailto:lisa.baccus@faa.gov>]  
**Sent:** Thursday, November 09, 2017 4:12 PM  
**To:** Galeano, Bree <[bgaleano@airlines.org](mailto:bgaleano@airlines.org)>  
**Cc:** [Kim.W.Tolar@faa.gov](mailto:Kim.W.Tolar@faa.gov); Berg, Dave <[dberg@airlines.org](mailto:dberg@airlines.org)>  
**Subject:** RE: A4A Congressional Holiday Reception 2017

Thanks.

*Ethics: We do the right thing, even when no one is watching.*

*Lisa S. Baccus  
Deputy Assistant Chief Counsel for Ethics, AGC-900  
Office of the Chief Counsel  
Federal Aviation Administration  
(202) 267-0468*

---

**From:** Galeano, Bree [<mailto:bgaleano@airlines.org>]  
**Sent:** Thursday, November 09, 2017 11:37 AM  
**To:** Baccus, Lisa (FAA) <[lisa.baccus@faa.gov](mailto:lisa.baccus@faa.gov)>  
**Cc:** Tolar, Kim W (FAA) <[Kim.W.Tolar@faa.gov](mailto:Kim.W.Tolar@faa.gov)>; Berg, Dave <[dberg@airlines.org](mailto:dberg@airlines.org)>  
**Subject:** RE: A4A Congressional Holiday Reception 2017

Hi Lisa

Please see attached for our answers to the questionnaire, a copy of the invitation for the event, and a copy of the FAA employees invited to date. Please feel free to reach out to me or Dave Berg, cc'd on this email, our general counsel.

Thank you  
Bree

**Bree Galeano**  
Global Government Affairs Coordinator  
Airlines for America  
We Connect the World  
(b) (6)  
[airlines.org](http://airlines.org) | [Facebook](https://www.facebook.com/airlinesforamerica) | [Twitter](https://twitter.com/airlinesforamerica) | [Instagram](https://www.instagram.com/airlinesforamerica) | [LinkedIn](https://www.linkedin.com/company/airlinesforamerica)

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**From:** [lisa.baccus@faa.gov](mailto:lisa.baccus@faa.gov) [<mailto:lisa.baccus@faa.gov>]  
**Sent:** Wednesday, November 08, 2017 5:36 PM  
**To:** Nick Calio <[HolidayRSVP@airlines.org](mailto:HolidayRSVP@airlines.org)>  
**Cc:** [Kim.W.Tolar@faa.gov](mailto:Kim.W.Tolar@faa.gov)  
**Subject:** A4A Congressional Holiday Reception 2017

It has come to our attention that FAA employees have been invited to the above event. FAA employees are subject to ethics rules that prohibit or limit the acceptance of gifts from outside sources. Find attached a questionnaire for outside events. Please complete the questionnaire and return it to me at your earliest convenience.

Thanks.

*Ethics: We do the right thing, even when no one is watching.*

*Lisa S. Baccus  
Deputy Assistant Chief Counsel for Ethics, AGC-900  
Office of the Chief Counsel  
Federal Aviation Administration  
(202) 267-0468*

## **GIFT QUESTIONNAIRE TO BE SENT TO NON-GOVERNMENT PERSONS/ENTITIES SPONSORING OUTSIDE EVENTS**

We have received an invitation to your event. However, before we can accept free attendance, free foods or anything else of value, our Designated Agency Ethics Official must determine if the event falls within one of the exceptions under the Standards of Ethical Conduct gift rules (5 C.F.R. 2635.204).

Please provide us with the following information to assist us in making our determination:

1. Date of the event: **Wednesday, December 6, 2017**
2. Sponsors (to include co-sponsors, if any): **None. This is an A4A event.**
3. Per person cost of food and refreshments (estimated): **\$35.00**
4. Place and time of event: **4:30 – 6:30 PM, U.S. Capitol HC-%**
5. Characterization of event – for example, is it a seminar, reception and/or a dinner? **This is a reception for policy makers and stakeholders interested in/involvement in commercial aviation, providing an informal setting to discuss current policy issues. It is attended by members of Congress and their staff, senior Administration officials, and senior executives from airlines, airports, labor, manufacturers and aviation-related associations. Nick Calio, the CEO of A4A will provide remarks. The CEO's and senior leadership of A4A member airlines<sup>1</sup> will be in attendance. Last year, approximately 380 people attended.**
6. What is the purpose of the event? **To bring together policy makers, industry and labor executives and representatives, manufacturers and others interested in the commercial aviation industry in an informal social setting to discuss current issues, exchange ideas and to socialize outside of a meeting on a specific topic.**
7. Approximately how many people in total have been invited? **2000**
8. Approximately how many FAA employees have been invited? Please provide the names of the FAA invitees or attach a guest list. **18**
9. Are guests of FAA employees (such as spouses) invited too? **yes**
10. Have the tickets offered to FAA employees been previously purchased by third parties? **No**
  - a. If so, please identify the original offeror

---

<sup>1</sup> Alaska, American, Atlas, FedEx, Hawaiian, JetBlue, Southwest, United and UPS Airlines.

b. If A4A should be viewed as the offeror for ethics review purposes, please explain why (i.e., Delta actually paid for ticket; original offeror relinquished tickets, etc. )

c. What are the seating arrangements, if any, for government employees?

11. What types of people have been invited? (Examples might be: Congressmen and staffers, state and local officials, academia, industry representatives, sponsor personnel, personnel from other Federal Agencies/DoD, members of the public, media, other contractors, etc.). **Congressional Members and their staff, Administration Officials, Airline Executives, Trade Association Representatives for Airlines and Airports, Aircraft Manufacturers, Media, Labor Organizations, & A4A Staff**

12. Will there be gift items handed out? If so, please provide description and value. **No**

13. Is there a fundraising aspect to the event? If so, please describe the fundraising portion of the event. **No**

14. Please indicate if your organization employs federally registered lobbyists or engages in lobbying activities. **Yes**

15. Is there an invitation and/or website that has more information about the event? If so, please provide. **No website, yes to invitation (provided).**

16. Can A4A accept payment, if required? If yes, what is the preferred mode of payment? **Yes, check**

Thank you for your assistance. Please feel free to contact our Ethics Office (202-267-0504) if you have any questions.

## Elwell, Daniel (FAA)

---

**From:** Bailey, Megan (FAA)  
**Sent:** Tuesday, November 28, 2017 8:47 AM  
**To:** Galeano, Bree  
**Subject:** RE: A4A Holiday Reception

Good morning,

Administrator Huerta will be attending. Thanks for your help!

Thank you,

Megan Bailey  
Executive Assistant  
Office of the Administrator  
Federal Aviation Administration  
[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)  
(202) 267-3111

---

**From:** Galeano, Bree [mailto:[bgaleano@airlines.org](mailto:bgaleano@airlines.org)]  
**Sent:** Monday, November 27, 2017 10:20 AM  
**To:** Bailey, Megan (FAA)  
**Subject:** RE: A4A Holiday Reception

No charge! And I've already sent information to your ethics office. See attached

Bree Galeano  
Global Government Affairs Coordinator  
**Airlines for America**  
We Connect the World

(b) (6)  
[airlines.org](http://airlines.org) | [Facebook](https://www.facebook.com/airlinesforamerica) | [Twitter](https://twitter.com/airlinesforamerica) | [Instagram](https://www.instagram.com/airlinesforamerica) | [LinkedIn](https://www.linkedin.com/company/airlinesforamerica)

---

**From:** [megan.bailey@faa.gov](mailto:megan.bailey@faa.gov) [mailto:[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)]  
**Sent:** Monday, November 27, 2017 10:18 AM  
**To:** Nick Calio <[HolidayRSVP@airlines.org](mailto:HolidayRSVP@airlines.org)>  
**Subject:** A4A Holiday Reception

Good morning,

Is there a charge for the A4A Holiday Reception? I am inquiring on behalf of FAA Administrator Michael Huerta.

Thank you,

Megan Bailey  
Executive Assistant  
Office of the Administrator  
Federal Aviation Administration  
[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)  
(202) 267-3111



**From:** spinkerton  
**Sent:** Thursday, November 30, 2017 1:05 PM  
**To:** spinkerton  
**Subject:** McClatchy PFC Article Pickup: Your next flight might be more expensive, thanks to this little-known fee

**McClatchy** DC BUREAU

# Your next flight might be more expensive, thanks to this little-known fee

BY ANDREA DRUSCH AND BRIAN MURPHY

*McClatchy Washington Bureau*

UPDATED NOVEMBER 29, 2017 06:31 PM

## WASHINGTON

If your next airline ticket costs more than expected, check out the latest fees Congress wants you to pay.

The Passenger Facility Charge, a fee added to airline tickets to pay for airport improvements, is currently capped at \$4.50 per leg.

That rate could nearly double as soon as Christmas week, under the federal budget now being crafted by Washington lawmakers.

Though Congress authorizes the rate, individual airports set the precise fee. **Consumers rarely know it, since it is folded into airlines' ticket rates.**

Of the top 100 domestic airports, 96 collect the charge, [according to the Federal Aviation Administration](#). Those that do not are Boise, Omaha, Memphis and Greenville, South Carolina. Of the 359 airports collecting the fee, 343 are charging the full \$4.50.

“Passenger facilities are not adequate for today’s level of traffic. Of course, they’re going to ask passengers to pay for it. Who else? We wind up paying for everything,” said Douglas Kidd, executive director of the National Association of Airline Passengers, a nonpartisan passenger advocacy organization created in 2010.

The current \$4.50 cap hasn’t been increased since 2001, thanks to aggressive lobbying by the airlines, who say adding the fee to ticket prices hurts their ability to keep fares low.

The fees can fund only [FAA-approved capital-improvement projects](#) “that enhance safety, security, or capacity; reduce noise; or increase air carrier competition.”

Airline officials argue airports have plenty of other funding sources for their projects, including the Airport Improvement Program, which gives federal grants for airport safety and efficiency updates.

Dallas/Fort Worth International Airport [announced](#) a \$52 million project this week to update one of its seven runways, funded by that program.

Airport interests have fought hard for the fee increase, saying they desperately need that money to update technology and amenities at older airports. Most currently charge somewhere between \$3 and \$4.50, with DFW and Dallas Love Field at the top of that range.

Raleigh-Durham International Airport raised its rate from \$3 to \$4.50 in 2004. The airport collects about \$22 million per year from the fee and it all goes to paying debt service on Terminal 2, said Michael Landguth, the chairman and CEO of the Raleigh-Durham Airport Authority.

“The consumer will actually pay for what they actually use. When they pay \$4.50, just like a movie theater, it’s a great way for the consumer to pay directly for the use of that facility,” Landguth said.

Landguth said airports won’t raise the fee immediately if granted the authority by Congress, but will instead “raise it when they have the need for a particular project.”

What gives airports hope this year, after many years of failing to get an increase, is a Senate bill that includes the higher fee cap.

#### Tour three airports in a minute

The House’s spending bill did not include the higher fee. Lawmakers from both chambers will meet to consider the two approaches within the next few weeks, as Congress works to produce an end-of-year spending bill to fund the government. Funding runs out December 8.

House negotiators say the fee increase could be a contentious point in those negotiations.

“It’s highly controversial,” said Rep. Mario Diaz-Balart, R- Fla., who chairs the House transportation spending subcommittee. “Until we start negotiating we won’t really know.”

Kidd, the passenger advocate, suggested that a compromise around \$6 seems likely.

Airlines spend big to lobby in Washington, and are working hard to stop the fee increase’s inclusion. They say it would cost airline travelers an additional \$2.6 billion per year.

“If it’s in there, the traveling public wakes up to the very real threat of a tax hike they didn’t even know was under consideration,” said Vaughn Jennings, vice president of communications for Airlines for America which represents airlines including American Airlines, Southwest Airlines and United Airlines.

Airlines for America has spent \$6.3 million on lobbying in 2017, according to the Senate’s lobbying database.

The airline industry commissioned a survey in October suggesting that the public is on its side on this issue.

While most people were not aware of the fee, the survey said 78 percent [opposed it](#) after the pollster explained it. The airline group launched a website, [www.stopairtaxnow.com](http://www.stopairtaxnow.com), where the public can complain directly to lawmakers.

Airport interests, including DFW, have pushed back.

Speaking to the House Transportation Committee’s aviation subcommittee in March, DFW Airport CEO Sean Donohue said the airport relies on the fee program, and collected \$127 million from it in 2016. It used the money to pay down debt on government-approved projects.

Dononue suggested changes to the program that would allow fee money to be used for more projects than the ones currently outlined, which exclude terminal services.

Airline officials said there are plenty of other ways to pay for airport updates.

“We keep asking the airport community to show us the project that needs to be done that’s not being done because you don’t have this new fee approved,” said Sharon Pinkerton, senior vice president of legislative and regulatory policy at Airlines for America. “They can’t. We’re finding all these other ways to finance projects and they’re getting done.”

Brian Murphy: (b) (6), @MurphinDC  
Andrea Drusch: (b) (6), @AndreaDrusch

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**Subject: McClatchy PFC Article Pickup**

Wanted to make sure everyone saw the pickup of the McClatchy PFC piece we shepherded that popped yesterday (feat. quotes from Sharon and Vaughn).

Since its a McClatchy piece, it ran on a bunch of the McClatchy paper websites. Below is a sampling of some of the hits, and here’s the DC Bureau link for reference: <http://www.mcclatchydc.com/news/nation-world/national/article187172893.html>

- Miami Herald: <http://www.miamiherald.com/news/politics-government/article187173033.html>
- Wichita Eagle: <http://www.kansas.com/news/politics-government/article187173033.html>
- Charlotte Observer: <http://www.charlotteobserver.com/latest-news/article187173033.html>
- Fort Worth Star-Telegram: <http://www.star-telegram.com/news/politics-government/article187173033.html>
- News Tribune: <http://www.thenewstribune.com/news/politics-government/article187173033.html>
- Raleigh News & Observer: <http://www.newsobserver.com/news/politics-government/article187173033.html>
- Kansas City Star: <http://www.kansascity.com/news/politics-government/article187173033.html>
- Sacramento Bee: <http://www.sacbee.com/news/politics-government/article187173033.html>
- The State: <http://www.thestate.com/news/politics-government/article187173033.html>
- Herald-Sun: <http://www.heraldsun.com/news/politics-government/article187173033.html>
- Lexington Herald-Leader: <http://www.kentucky.com/news/politics-government/article187173033.html>
- The Olympian: <http://www.theolympian.com/news/politics-government/article187173033.html>
- Macon Telegraph: <http://www.macon.com/news/politics-government/article187173033.html>
- Tri-City Herald: <http://www.tri-cityherald.com/news/politics-government/article187173033.html>
- Bradenton Herald: <http://www.bradenton.com/news/politics-government/article187173033.html>
- Idaho Statesman: <http://www.idahostatesman.com/news/politics-government/article187173033.html>
- The Herald: <http://www.heraldonline.com/news/politics-government/article187173033.html>
- Myrtle Beach Online: <http://www.myrtlebeachonline.com/news/politics-government/article187173033.html>
- Ledger-Enquirer: <http://www.ledger-enquirer.com/news/politics-government/article187173033.html>
- Fresno Bee: <http://www.fresnobee.com/news/politics-government/article187173033.html>
- SunHerald: <http://www.sunherald.com/news/politics-government/article187173033.html>
- San Luis Obispo Tribune: <http://www.sanluisobispo.com/news/politics-government/article187173033.html>
- Modesto Bee: <http://www.modbee.com/news/politics-government/article187173033.html>
- Belleville News-Democrat: <http://www.bnd.com/news/politics-government/article187173033.html>
- Centre Daily Times: <http://www.centredaily.com/news/politics-government/article187173033.html>
- Bellingham Herald: <http://www.bellinghamherald.com/news/politics-government/article187173033.html>
- The Island Packet: <http://www.islandpacket.com/news/politics-government/article187173033.html>
- Mercer Sun-Star: <http://www.mercedsunstar.com/news/politics-government/article187173033.html>

## Elwell, Daniel (FAA)

---

**From:** pmcgraw@airlines.org  
**Sent:** Tuesday, January 09, 2018 11:44 AM  
**To:** Elwell, Daniel (FAA)  
**Subject:** FW: Hotels for A4A Joint Council

**Importance:** High

We got you a room (but obviously can't pay for it) but need confirmation. Assume you only need a room Tuesday evening the 23<sup>rd</sup>?

---

**From:** Lyons, Marqui  
**Sent:** Tuesday, January 09, 2018 11:33 AM  
**To:** megan.bailey@faa.gov  
**Cc:** McGraw, Paul <pmcgraw@airlines.org>  
**Subject:** RE: Hotels for A4A Joint Council  
**Importance:** High

Megan,

I'm awaiting your reply in order that I may secure hotel accommodations at the JW Marriott in Chicago. Our hotel room block expires today and I would like to contact the hotel today.

Thanks,

**Marqui A. Lyons**  
Safety, Security and Operations  
1275 Pennsylvania Ave, NW Suite 1300  
Washington, DC 20004  
(b) (6) Fax: 202-626-6565  
[airlines.org](http://airlines.org) | [Facebook](https://www.facebook.com/airlinesorg) | [Twitter](https://twitter.com/airlinesorg) | [Instagram](https://www.instagram.com/airlinesorg) | [LinkedIn](https://www.linkedin.com/company/airlinesorg)



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**From:** Lyons, Marqui  
**Sent:** Monday, January 08, 2018 10:29 AM  
**To:** 'megan.bailey@faa.gov' <[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)>; McGraw, Paul <[pmcgraw@airlines.org](mailto:pmcgraw@airlines.org)>  
**Subject:** RE: Hotels for A4A Joint Council

Megan,

Please advise of the dates that you are seeking for hotel accommodations for Daniel Elwell. Once, I receive this information, I will contact the JW Marriott in Chicago regarding securing a reservation.

Thanks,

Marqui Lyons

---

**From:** [megan.bailey@faa.gov](mailto:megan.bailey@faa.gov) [mailto:[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)]  
**Sent:** Friday, January 05, 2018 5:01 PM  
**To:** McGraw, Paul <[pmcgraw@airlines.org](mailto:pmcgraw@airlines.org)>  
**Cc:** Lyons, Marqui <[mlyons@airlines.org](mailto:mlyons@airlines.org)>  
**Subject:** RE: Hotels for A4A Joint Council

Thanks for the info, Paul! I will look forward to Monday to see if there are any openings on the block rate.

Have a great weekend!

Thank you,

Megan Bailey  
Executive Assistant  
Office of the Administrator  
Federal Aviation Administration  
[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)  
(202) 267-3111

---

**From:** [pmcgraw@airlines.org](mailto:pmcgraw@airlines.org)  
**Sent:** Friday, January 05, 2018 4:51 PM  
**To:** Bailey, Megan (FAA) <[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)>  
**Cc:** Lyons, Marqui <[mlyons@airlines.org](mailto:mlyons@airlines.org)>  
**Subject:** Re: Hotels for A4A Joint Council

No problem Megan. We are staying at the JW Marriott on Adams. Block is full however. Let me see on Monday if we can get him a room at block rate. Copying Marqui here to assist

On Jan 5, 2018, at 12:59 PM, "[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)" <[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)> wrote:

Hi Paul,

Forgive me for blindly reaching out to you. I know you've been in contact with Tony Willet on behalf of Dan Elwell and I'm taking over as Dan's assistant as of this weekend. I wanted to know if there is a hotel block for the Joint Council? If not, do you have a hotel suggestion for Mr. Elwell?

Thank you,

Megan Bailey  
Executive Assistant  
Office of the Administrator  
Federal Aviation Administration  
[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)  
(202) 267-3111

<2018 Joint Council - Jan 4 Draft Agenda.docx>

## Elwell, Daniel (FAA)

---

**From:** pmcgraw@airlines.org  
**Sent:** Tuesday, January 09, 2018 4:15 PM  
**To:** Elwell, Daniel (FAA)  
**Subject:** RE: Hotels for A4A Joint Council

Got it .. No problem.. We'll go to plan B .. Congrats on your appointment! Fun starts now! Best to you and your family in 2018

---

**From:** Daniel.Elwell@faa.gov [mailto:Daniel.Elwell@faa.gov]  
**Sent:** Tuesday, January 09, 2018 3:45 PM  
**To:** McGraw, Paul <pmcgraw@airlines.org>  
**Subject:** Re: Hotels for A4A Joint Council

Paul,

I'm no longer able to go to Chicago. I was afraid that would happen and I apologize. It happened a few days ago and I thought my folks informed you right away. Again, my apologies. Perhaps John Duncan can speak in my place.

Dan

Sent from my iPhone

On Jan 9, 2018, at 8:44 AM, "[pmcgraw@airlines.org](mailto:pmcgraw@airlines.org)" <[pmcgraw@airlines.org](mailto:pmcgraw@airlines.org)> wrote:

We got you a room (but obviously can't pay for it) but need confirmation. Assume you only need a room Tuesday evening the 23<sup>rd</sup>?

---

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**Sent:** Tuesday, January 09, 2018 11:33 AM  
**To:** [megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)  
**Cc:** McGraw, Paul <[pmcgraw@airlines.org](mailto:pmcgraw@airlines.org)>  
**Subject:** RE: Hotels for A4A Joint Council  
**Importance:** High

Megan,

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Thanks,

**Marqui A. Lyons**  
Safety, Security and Operations  
1275 Pennsylvania Ave, NW Suite 1300  
Washington, DC 20004  
Office: (b) (6) Fax: 202-626-6565  
[airlines.org](http://airlines.org) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [LinkedIn](#)  
<image001.png>

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**From:** Lyons, Marqui  
**Sent:** Monday, January 08, 2018 10:29 AM  
**To:** 'megan.bailey@faa.gov' <megan.bailey@faa.gov>; McGraw, Paul <pmcgraw@airlines.org>  
**Subject:** RE: Hotels for A4A Joint Council

Megan,

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Thanks,

Marqui Lyons

---

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**Sent:** Friday, January 05, 2018 5:01 PM  
**To:** McGraw, Paul <pmcgraw@airlines.org>  
**Cc:** Lyons, Marqui <mlyons@airlines.org>  
**Subject:** RE: Hotels for A4A Joint Council

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Thank you,

Megan Bailey  
Executive Assistant  
Office of the Administrator  
Federal Aviation Administration  
[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)  
(202) 267-3111

---

**From:** [pmcgraw@airlines.org](mailto:pmcgraw@airlines.org)  
**Sent:** Friday, January 05, 2018 4:51 PM  
**To:** Bailey, Megan (FAA) <[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)>  
**Cc:** Lyons, Marqui <[mlyons@airlines.org](mailto:mlyons@airlines.org)>  
**Subject:** Re: Hotels for A4A Joint Council

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Hi Paul,

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Thank you,

Megan Bailey  
Executive Assistant  
Office of the Administrator  
Federal Aviation Administration  
[megan.bailey@faa.gov](mailto:megan.bailey@faa.gov)  
(202) 267-3111

<2018 Joint Council - Jan 4 Draft Agenda.docx>



**Elwell, Daniel (FAA)**

---

**From:** spinkerton  
**Sent:** Thursday, February 15, 2018 8:47 AM  
**To:** spinkerton  
**Subject:** : WSJ Editorial Board - Private Jet-Setters Against Better Air Travel

# Private Jet-Setters Against Better Air Travel

The folks who don't fly commercial are blocking air-traffic reform.

*By*

*The Editorial Board*

Feb. 14, 2018 6:54 p.m. ET

[20 COMMENTS](#)

President Trump's 2019 budget proposal again includes a good idea to improve American air travel: separating air-traffic control from the Federal Aviation Administration. But oddly the idea wasn't part of Mr. Trump's infrastructure plan this week, and one reason may be implacable opposition from the lobbyists for the paupers known as the corporate jet lobby.

House Transportation Chairman Bill Shuster wants to leverage private expertise to run the U.S. air-traffic system, which has failed to evolve with technology. The bill would replace taxes with user fees, as Canada and other countries have done.



PHOTO: ISTOCK/GETTY IMAGES

Yet some who think they benefit from the current system are running a misinformation campaign, and a ringleader is the National Business Aviation Association. President and CEO Ed Bolen said in a November op-ed that a spinoff would hand airspace to a board “dominated by the airlines and their allies” and “threaten needed upgrades at airports in small towns and communities across the country,” among other charges. The head of the Aircraft Owners and Pilots Association co-wrote the piece.



The contention that the airlines would own the sky is a powerful political argument because the public imagines the traffic director of the heavens as a United gate agent. But the major airlines would nominate only *one* seat on a 13-member board, as the Reason Foundation’s Robert Poole has pointed out, down from four in a previous proposal.

Also on the board are members nominated by cargo airlines, regional airlines, airports, business jets, unions and others, none of whom will be easily reaccommodated to whatever the major airline agenda is. Board members cannot be employed or paid by any aviation business or group during their tenure. The bill also exempts general aviation from paying any air-traffic user fees. This includes business jets.

Another canard is that small communities will be stranded. The bill continues to throw money into the Airport Improvement Program, which exists to funnel money into runway and other updates, especially for rural airports. The bill also maintains Essential Air Service that pours cash into rural routes that are often barely patronized. One near certainty: Congress won't end these subsidies.

What's really going on? The business jet industry pays 0.6% of aviation user taxes but accounts for 11% to 13% of controlled traffic, as Marc Scribner of the Competitive Enterprise Institute has noted. The industry would like to keep it that way.

Then again, perhaps his members should ask Mr. Bolen for a refund. The point of a spinoff is that private expertise could implement new technology that allows planes to take off and land in more efficient patterns and fly more direct routes. A CEO flying to Los Angeles for lunch is sensitive to 30 minutes awaiting takeoff.

The status quo comes at your expense. The Eno Center for Transportation recently compared weight and distance fees like Canada's with U.S. taxes. Fees on an Airbus A320 from New York to Fort Myers, Fla., would be 43% lower than today's taxes, and on some routes the figures dipped to a 60% reduction. This translates to a radical cut in the annoying list of costs tacked on to your ticket price.

If business jets try to tank the bill no matter the details, then Republicans ought to subject them to fees, same as commercial flights. Air travel is becoming less pleasant, and according to one analysis the average time from push back to arrival is increasing on many routes—more than 80 minutes from D.C. to New York LaGuardia, up from 67 minutes in 1990. Apparently that hasn't been an issue for the folks flying in and out of Teterboro.

*Appeared in the February 15, 2018, print edition.*

<https://www.wsj.com/articles/private-jet-setters-against-better-air-travel-1518652486?emailToken=5b1360b355ba71ccf20e9d45055a458dUyqQEYj3d4ZrW%2F5%2FdnqpCbwmkXtPqnBmaV7MH0a%2FCypgnC03OjiLLyz022I9NE0suWLgMNvQFUK16k2OE60jVXIImEMLhYhbGtfIGcJzcMME%3D>

## Elwell, Daniel (FAA)

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**From:** spinkerton  
**Sent:** Tuesday, February 20, 2018 1:19 PM  
**To:** Elwell, Daniel (FAA); Burleson, Carl (FAA); Nield, George (FAA)  
**Subject:** Rarely do you see us all on the same page :) - Commercial Space  
**Attachments:** StakeholderstoFAAFrontRange02.20.18.pdf

Dan, Carl, George -

Our quick ask is to simply let the ARC process work before moving forward on the FTG application or environmental work. FTG project should have the benefit of whatever recommendations will be made, it's the best way to ensure all stakeholders have an opportunity for input.

Many thanks for your consideration!

Sharon

**Sharon L. Pinkerton**

SVP Legislative & Regulatory Policy

**Airlines for America**

We Connect the World

(b) (6)

[airlines.org](http://airlines.org) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [LinkedIn](#)



February 20, 2018

Acting Administrator Daniel K. Elwell  
Federal Aviation Administration  
800 Independence Avenue SW  
Washington, DC 20591

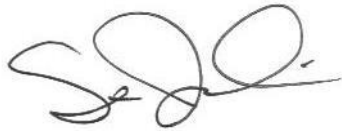
Dear Administrator Elwell:

We commend the Federal Aviation Administration (FAA) for creating Aviation Rulemaking Committees (ARCs) to address Spaceport Certification and Airspace Access Prioritization. There is rapid growth among new entrants, including commercial space operators. The recommendations produced by these ARCs will inform the important work that lies ahead regarding seamless integration of new entrants into the national airspace system. The purpose of this letter is to urge the FAA to finish the work of these ARCs and gain the benefit of those recommendations prior to moving forward on the Spaceport Colorado Front Range (FTG) spaceport project.

There are many unanswered safety and operational questions concerning the preliminary airspace analysis that FAA outlined during a December webinar for stakeholders. Apparently, this preliminary analysis was based on a sample mission supplied by FTG. However, air carriers were not provided access to the assumptions specific to the Operating Areas being considered in order to perform their own work to determine what safety, efficiency and reliability impacts would be on commercial and private aircraft utilizing the Denver area, as well as overflight traffic that could impact the entire NAS. In addition to the safety and operational questions we would have, there is uncertainty regarding the duration of each operation, which is clearly critical to determining impacts and planning accordingly. We think it is premature to move forward with an Environmental Assessment given the lack of information about the project. We would also like greater clarity regarding the process that the FAA will use to collaborate with the broader operational community regarding commercial space activity at FTG and related airspace closures. We believe these are examples of issues the ARCs will deliberate and for which best practices will be proposed.

We appreciate your consideration of pausing the FTG work until the ARCs have had adequate time to develop industry recommendations on how best to successfully manage the many challenges posed by integrating new users into the airspace.

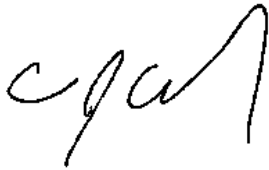
Sincerely,



Captain Steve Jangelis  
Aviation Safety Chair  
Air Line Pilots Association



Sharon Pinkerton  
Senior Vice President, Legislative & Regulatory Policy  
Airlines for America



Christopher Oswald  
Vice President, Safety and Regulatory Affairs  
Airports Council International, North America



Joel D. Bacon  
Executive Vice President, Government & Public Affairs  
American Association of Airport Executives



Jim Ullmann Senior Vice President, Director,  
Safety and Technology  
National Air Traffic Controllers Association

**Elwell, Daniel (FAA)**

---

**From:** spinkerton  
**Sent:** Thursday, February 22, 2018 12:10 PM  
**To:** Elwell, Daniel (FAA); Burleson, Carl (FAA); Edwards, Bailey (FAA)  
**Subject:** A Letter from Airlines for America's CEOs to S1 re : PFC  
**Attachments:** 2-22-18 A4A CEO - Secretary Chao PFC Ltr.pdf; ATT00001.htm

This has been emailed to the Secretary, let me know if you have any questions S



Feb. 22, 2018

The Honorable Elaine Chao  
Secretary  
Department of Transportation  
1200 New Jersey Ave., SE  
Washington, DC 20590

Dear Secretary Chao:

Congress is in the process of completing the FY2018 appropriations bills, considering a long-term Federal Aviation Administration (FAA) authorization bill and initiating the Administration's historic infrastructure plan. While you consider the Department's position on these three pieces of legislation, we strongly urge you to oppose raising the Passenger Facility Charge (PFC) tax on the flying public.

While the congressional committees of jurisdiction, the Senate Commerce Committee and the House Transportation and Infrastructure Committee, did not increase the PFC tax, the Senate Transportation, Housing and Urban Development (THUD) Subcommittee nearly doubled this tax, which is neither justified nor needed to accomplish our shared goal of improving the nation's airport infrastructure for our customers.

Airlines and airports have a history of partnering on significant capital improvements throughout the nation's airport system. Since 2008, over \$100 billion of airport improvement projects have been completed, are underway or approved at the nation's largest 30 airports alone, and development is robust at smaller airports across the country such as Dayton, Erie, and Sioux Falls.

This funding enabled new runways and terminals, better facilities, and more amenities for customers as part of an improved travel experience that we strongly support and financially back. Airport improvement projects are the result of negotiations between airport and airline partners for projects that stakeholders agree have merit. These negotiations occur without government interference or taxation, and will continue as we enhance the travel experience for our customers.

Nevertheless, airports across our country receive billions of dollars from customers and the government alike, giving the airport community access to multiple different sources of revenue.



For instance, in 2016, U.S. airports:

- Collected a record high \$11.4 billion in airline rents and fees, \$3.2 billion from existing PFCs, \$9.7 billion in non-airline revenues (restaurants and stores, rental car companies, etc.) and \$3.4 billion from the Airport Improvement Program (AIP);
- had more than \$14.2 billion of unrestricted cash and investments on hand, or approximately 389 days of liquidity; and
- had investment-grade credit ratings allowing airports to obtain inexpensive bond financing.

Aviation infrastructure funding is not only solvent, but we have nearly \$6 billion in unobligated funding in the Airport and Airway Trust Fund that could be utilized for airport infrastructure. In addition, under current federal rules, airports have diverted over \$9 billion to off-airport projects. These rules should be changed to ensure that all airport revenues are used for airport infrastructure.

Aviation is already overburdened with 17 unique taxes and fees imposed by the federal government totaling more than \$24 billion. Federal taxes and fees account for approximately 21 percent of the total cost of a round-trip ticket – putting air travel in the same tax bracket as so-called “sin products,” which are taxed to discourage use. Following the Administration’s historic tax reform package that reduced the tax burden on all Americans to stimulate the economy, we believe that air travel should not be treated differently.

Airlines are committed to making capital improvements in infrastructure alongside our well-funded airport partners. As you lend your voice to the funding debate, we respectfully ask for your commitment to solutions that do not involve unnecessary tax increases on the traveling public.

Regards,



Brad Tilden  
Chairman and CEO  
Alaska Airlines, Inc.



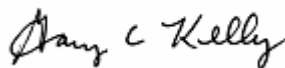
Douglas Parker  
Chairman and CEO  
American Airlines, Inc.



Mark Dunkerley  
President and CEO  
Hawaiian Airlines, Inc.



Robin Hayes  
President and CEO  
JetBlue Airways Corporation



Gary Kelly  
Chairman and CEO  
Southwest Airlines Co.



Oscar Munoz  
CEO  
United Airlines, Inc.

cc: Senate Majority Leader Mitch McConnell  
House Speaker Paul Ryan

## Elwell, Daniel (FAA)

---

**From:** pmcgraw@airlines.org  
**Sent:** Tuesday, March 13, 2018 2:07 PM  
**To:** Elwell, Daniel (FAA)  
**Cc:** Donovan, Colleen (FAA)  
**Subject:** Ops Council April 11-12

Dan,

We have the A4A Ops Council in town on April 11-12 and since we weren't able to have you join our Joint Council meeting in Chicago in January, I'd like to see if your schedule might allow you to join us for an hour. The topic would be your choice. You know the Council. Some logical topics might include NextGen, Drone activities, or any other number of topics.

Thanks for your consideration. Hope you can make it.

Sincerely,

Paul

**Paul J. McGraw**

Vice President, Operations & Safety

Airlines for America

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## Elwell, Daniel (FAA)

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**From:** spinkerton  
**Sent:** Friday, March 16, 2018 10:32 AM  
**To:** Elwell, Daniel (FAA); Burleson, Carl (FAA)  
**Subject:** Difficult DCA Community Roundtable Meeting Last Night

Dan –

Was listening in on the NAC and wanted you to be aware, this is the 3<sup>rd</sup> community roundtable (one at CLT, 2 DCA meetings) where FAA hasn't been present. Carriers were there. We are willing to do our part, in fact Carl can relay the story of the request for us to participate in CLT and then subsequent withdrawal of that request. 😊

As Carl knows, I have a request in to see if A4A can improve our communication / collaboration with FAA on these issues, let me know if there's anything we can do, thanks, Sharon

---

**From:** Young, Nancy  
**Sent:** Friday, January 26, 2018 9:53 AM  
**To:** Julie.Marks@faa.gov; Beth.White@faa.gov; Welsh, Kevin <kevin.welsh@faa.gov>; Jodi.McCarthy@faa.gov  
**Cc:** Pinkerton, Sharon <SPinkerton@airlines.org>; Rabon, Ashley <arabon@airlines.org>; McGraw, Paul <pmcgraw@airlines.org>; McKee, Laura <LMckee@airlines.org>; Cirillo, Mike <mcirillo@airlines.org>  
**Subject:** Difficult DCA Community Roundtable Meeting Last Night

Dear Julie, Jodi, Beth & Kevin: (cc: Sharon, Paul, Laura and Mike)

As Julie, Beth and Kevin know, at American Airline's request (and at the invitation of MWAA), I made a presentation to the DCA Community Noise Working Group (i.e., "Roundtable") last night. I've attached the agenda for the meeting.

It was a very unpleasant meeting. While I don't like to convey difficult news, I thought you would want to know about it because much of the negativity was against FAA.

As you'll see from the Agenda, FAA was listed as covering a few items. But the Chair of the Roundtable (Margaret McKeough, MWAA) opened the meeting with an announcement that she had learned at 2 pm that day that FAA would not be attending. She said she had been advised that FAA is going through a transition and no longer would directly support the Roundtable from FAA Headquarters but, instead, the new Regional Administrator, Jenny Solomon, would be charged with managing FAA's engagement with the Roundtable. She also advised that FAA had no input to share with the meeting on currently pending questions, but would respond at a later date. Margaret expressed her disappointment with this and opened up the issue for discussion.

The Roundtable members were extremely negative and agitated about this news. As I had to sit in the back away from the table, I could not see who all was making comments, but here is a brief summary to give you flavor:

- A Fairfax representative – said he's frustrated with FAA's lack of attendance and the lack of information to the point of exploding; he said his community is pressuring him and he keeps saying he'll get more info, but he doesn't; he said he has been in touch with Congressman Beyer's office and the Congressman is going to send a letter to FAA's Acting Administrator about it;

- An Arlington representative said having a Regional Administrator in New York be the main point of contact would be too remote – he said they need the Air Traffic folks engaged; he then went on to say they should file another lawsuit saying, it worked for Phoenix and John Wayne, “that’s the only way FAA listens and they settle these lawsuits agreeing to fix the procedures.” There were similar comments from a Montgomery County person.
- An Alexandria representative said he had told the Mayor that he would be able to give him an update from FAA based on this meeting – he said the Mayor will not be happy;
- Another person (I believe Montgomery County) said they should not be surprised that FAA didn’t show up because they bagged out before and this shows FAA is just paying lip service to all this; he said everyone should complain to their representatives in Congress.

There were more comments from folks, but they pretty much ran along these lines. Then the conversation turned to a lot of interest the group has in the status of the .41 process. Mike Jeck (MWAA) was able to get some order back in the room saying he’s trying to keep an eye on the .41 process for them although he said it is very complex and technical.

Various members then said they should renew efforts for Congress to approve a curfew or change the statutory requirements so it would be easier for DCA to impose one. Others said they should push FAA to settle the Georgetown litigation like FAA settled Phoenix and John Wayne, agreeing to change the procedures.

In other agenda items they said

- they are working on a funding proposal to pool money from MWAA and the local governments represented to hire a consultant to help them develop noise solutions;
- MWAA is rolling out a noise complaint app the first full week of February and MWAA is changing the software on their web-based complaint link so people don’t have to fill in their contact info each time they complain (it will be auto-filled, making filing complaints easier). MWAA is also working with a software developer on a “dashboard” and query system that will allow for sorting and assessing complaint info (to which they also will provide access to the public).

My presentation (see copy attached) was very difficult in this hostile environment, but I stayed cool and by the end people seemed appreciative that we continue to work on noise and are listening. I got lots of questions on almost every slide – most of which were asked from a hostile vantage point with built-in assertions. (Examples of questions/statements included skepticism that there are any benefits of NextGen other than to the airlines; assertion that CDAs do no good with respect to noise; negative points about DNL; calls for airlines to phase out Stage 3 aircraft; assertions that aircraft are flying over their houses as low as 1000 feet ...) The American Airlines rep, Tracy Montross, also gave a few AA-specific examples of things AA has been doing (e.g., phasing out MD-80s, changing their diversions procedure at night so they only divert to DCA if no other reasonable option is available, etc.) Several people came up to me afterwards and thanked me for the presentation, noting that a number of their comments were out of frustration and they knew they were pushing some of their angst about FAA not attending on me.

So that is the summary. While I am in no position to judge why FAA did not have a representative at the meeting, I can say that the clear expectation of the group is that FAA would and will actively participate. Whether or not that expectation is something FAA intended to create, the fact that the expectation is there has created its own issue. As I have suggested to Julie, to the extent that FAA encourages that these Roundtables be set up, as in the case of the DCA one, it seems really important that there be a clear understanding of the role that FAA will or will not play.

Let me know if you want to discuss this further. Again, sorry to be conveying difficult news.

Nancy

Nancy N. Young  
Vice President, Environmental Affairs  
**Airlines for America**  
**We Connect the World**  
1275 Pennsylvania Ave, NW, Suite 1300  
Washington, DC 20004  
Phone: (b) (6)  
email: [nyoung@airlines.org](mailto:nyoung@airlines.org)  
[airlines.org](http://airlines.org) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [LinkedIn](#)

**From:** [pmcgraw@airlines.org](mailto:pmcgraw@airlines.org)  
**To:** [Elwell, Daniel \(FAA\)](#); [Casselman, Lauren \(FAA\)](#); [Donovan, Colleen \(FAA\)](#)  
**Subject:** FW: Ops Council agenda April 2018.docx  
**Date:** Friday, March 16, 2018 3:28:15 PM  
**Attachments:** [Ops Council agenda April 2018.docx](#)

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Folks,

Attached is a rough draft agenda for Dan. We will adjust time, topics or whatever he'd like to accommodate him. I'll be following up with some specific topics we expect our members to bring up, as we get closer to the meeting date. Let me know if Dan needs anything else. I'm sure Dan has already let you go as it's Friday afternoon, so enjoy the weekend.:)

Regards,  
Paul

**Paul J. McGraw**

Vice President, Operations & Safety

**Airlines for America**

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*Operations Council Agenda*

**Wednesday, April 11, 2018**

|      |  |  |                           |
|------|--|--|---------------------------|
| 1200 | <b>Welcome/Introductions/Logistics</b>   | <b>Paul McGraw<br/>Pete Laurentz<br/>Bob Waltz</b> | <b>A4A<br/>UPS<br/>WN</b> |
| 1205 | <b>Working lunch with Acting Administrator Dan Elwell</b>  |  |                           |
| 1305 | <b>Cabin Air Quality Task Group report</b> <ul style="list-style-type: none"> <li>• Smoke and Fume Issues and Impacts</li> <li>• Cabin Air Quality Task Group</li> </ul>   | Paul McGraw<br>Fran Heil<br>Bob Ireland            | A4A                       |
| 1345 | <b>Deice Proposal for New Holdover Times</b>   | Capt. John O'Neill                                 | UPS                       |
| 1400 | <b>A4A Legislative Update</b> <ul style="list-style-type: none"> <li>• Post FAA ATC Reform focus/2018 Priorities</li> <li>• Pilot Supply Issues</li> </ul>   | Sean Kennedy<br>Rob DeLucia                        | A4A<br>A4A                |
| 1500 | <b>Break</b>   |  |                           |
| 1530 | Ops Council Issues Discussion <ul style="list-style-type: none"> <li>• FRMS Status and Issues</li> <li>• Part 117</li> <li>• Electronic Flight Bag update</li> <li>• CAST Update</li> <li>• FAA Observation Requirement</li> <li>• Security issues</li> <li>• Weight &amp; Balance Control Draft AC</li> <li>• Drone Issues</li> <li>• ETOPS Draft AC</li> <li>• NAC/NextGen update</li> </ul> |  |                           |
| 1700 | <b>Dinner (Location TBD)</b>   |  |                           |



***Operations Council Agenda***

|      |  |  |
|------|--|--|
|      | <b>Day 2, April 12, 2018</b>   |  |
| 0830 | <b>Continental Breakfast</b>   |  |
| 0845 | <b>Areas of Focus</b> <ul style="list-style-type: none"><li>• Topics TBD</li></ul> |  |
| 1000 | <b>Break</b>   |  |
| 1030 | Round Table  |  |
| 1200 | <b>Adjourn</b>   |  |

Chair: Captain Pete Laurentz UPS

Vice-Chair: Captain Bob Waltz WN



**From:** [pmcgraw@airlines.org](mailto:pmcgraw@airlines.org)  
**To:** [Operations Council](#)  
**Cc:** [Kennedy, Sean D.](#); [spinkerton](#); [DeLucia, Rob](#); [Mullen, Doug](#); [O'Neil, John](#); [Elwell, Daniel \(FAA\)](#); [Guynn, Michelle \(FAA\)](#)  
**Subject:** Ops Council agenda April 2018 (002)  
**Date:** Thursday, March 29, 2018 3:53:08 PM  
**Attachments:** [Ops Council agenda April 2018 \(002\).docx](#)

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Final agenda for our April 11-12 A4A Operations Council meeting. Look forward to seeing everyone!

**Paul J. McGraw**

Vice President, Operations & Safety

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**April 11-12, 2018**  
Airlines for America  
1275 Pennsylvania Ave NW  
Washington, DC 20004



**Agenda**  
Operations Council  
Chair: Captain Pete Laurentz/UPS  
Vice-Chair: Captain Bob Waltz/WN

**Wednesday, April 11, 2018**

|      |  |   |                   |
|------|--|---|-------------------|
| 1200 | Welcome/Introductions/Logistics  | Paul McGraw<br>Pete Laurentz<br>Bob Waltz               | A4A<br>UPS<br>WN  |
| 1205 | Working lunch with Acting Administrator Dan Elwell   |   |                   |
| 1305 | Cabin Air Quality Task Group report <ul style="list-style-type: none"><li>Smoke and Fume Issues and Impacts</li><li>Cabin Air Quality Task Group</li></ul>   | Paul McGraw<br>Fran Heil<br>Bob Ireland                 | A4A               |
| 1345 | Deice Proposal for New Holdover Times  | Capt. John O'Neill                                      | UPS               |
| 1400 | A4A Legislative Update <ul style="list-style-type: none"><li>Post FAA ATC Reform focus/2018 Priorities</li><li>Pilot Supply Issues</li></ul>   | Sean Kennedy<br>Sharon Pinkerton<br>Rob DeLucia         | A4A<br>A4A<br>A4A |
| 1500 | Break  |   |                   |
| 1530 | Ops Council Issues Discussion <ul style="list-style-type: none"><li>FRMS Status and Issues</li><li>Part 117</li><li>Electronic Flight Bag update</li><li>CAST Update</li><li>FAA Observation Requirement</li><li>Security issues</li><li>Weight &amp; Balance Control Draft AC</li><li>Drone Issues</li><li>ETOPS Draft AC</li><li>NAC/NextGen update</li><li>SMS discussion</li></ul> | Updates by A4A staff as appropriate. Discussion by all. |                   |
| 1730 | Dinner - Old Ebbitt Grill 675 15 <sup>th</sup> St Washington DC  |   |                   |

**April 11-12, 2018**  
Airlines for America  
1275 Pennsylvania Ave NW  
Washington, DC 20004



**Agenda**  
Operations Council  
Chair: Captain Pete Laurentz/UPS  
Vice-Chair: Captain Bob Waltz/WN

**Thursday, April 12, 2018**

|             |   |     |
|-------------|---|-----|
| <b>0830</b> | <b>Continental Breakfast</b>                            |     |
| 0845        | Areas of Focus 2018<br>Discussion of Council priorities | All |
| <b>1000</b> | <b>Break</b>  |     |
| 1015        | Round Table   | All |
| <b>1200</b> | <b>Adjourn</b>  |     |

**From:** spinkerton  
**Sent:** Tuesday, April 03, 2018 4:03 PM  
**To:** spinkerton  
**Subject:** FW: First Word Alert: White House Infrastructure Aide Planning to Leave Position

## Bloomberg GOVERNMENT

### White House Infrastructure Aide Planning to Leave Position

By Mark Niquette | April 3, 2018 03:46PM ET | Bloomberg First Word

DJ Gribbin, special assistant to the president for infrastructure policy who helped develop President Donald Trump's infrastructure plan, is planning to leave his position now that the plan has been released to Congress, White House official says.

- No date for his departure has been set
- Gribbin spent the last year leading an administration-wide process formulating Trump's infrastructure initiative, which was released Feb. 12
- Gary Cohn, former director of National Economic Council, says in statement that he's grateful for Gribbin's service, and "fully believes" the infrastructure plan delivered to Congress, "combined with the work we are doing administratively, will have a transformational impact on our economy"
- Related: [Infrastructure Investment Would Boost GDP: White House Report](#)

To contact the reporter on this story:

Mark Niquette in Columbus at [mniquette@bloomberg.net](mailto:mniquette@bloomberg.net)

To contact the editors responsible for this story:

Derek Wallbank at [dwallbank@bloomberg.net](mailto:dwallbank@bloomberg.net)

Kathleen Miller

## BGOV Transportation Breaking News News Alert

**Elwell, Daniel (FAA)**

---

**From:** pmcgraw@airlines.org  
**Sent:** Thursday, April 12, 2018 11:56 AM  
**To:** Elwell, Daniel (FAA)  
**Subject:** Ops Council thanks

Dan,  
On behalf of the entire Operations Council I wanted to thank you for attending our Ops Council meeting and conversing with our members. We are very appreciative of your time and willingness to discuss industry issues of importance to us all. Your presence frankly made the meeting worth our members trip to Washington. I wanted to personally thank you. We have already started the process of assembling airline pilot programs to address a pilot shortage, and will forward on to you as soon possible. Please contact me if I can ever do anything for you. Best wishes my friend.

Sincerely,  
Paul

## **Elwell, Daniel (FAA)**

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**From:** spinkerton  
**Sent:** Thursday, April 12, 2018 1:53 PM  
**To:** Burr, Geoff (OST); Elwell, Daniel (FAA); McMaster, Sean (OST); Brown, Chris C (FAA)  
**Subject:** RTCA - today's hearing

Was just told that Mario will ask the Secretary about FACA issue with RTCA

## Elwell, Daniel (FAA)

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**From:** spinkerton  
**Sent:** Thursday, April 12, 2018 2:34 PM  
**To:** Elwell, Daniel (FAA)  
**Subject:** Actually, thank YOU

For coming over yesterday and spending time with us, greatly appreciated Dan!

I just gave Carl the download on RTCA, can't wait until this is behind us!

---

**From:** Daniel.Elwell@faa.gov <Daniel.Elwell@faa.gov>  
**Sent:** Thursday, April 12, 2018 2:30 PM  
**To:** Pinkerton, Sharon <SPinkerton@airlines.org>  
**Subject:** RE: RTCA - today's hearing

Thank you.

Dan Elwell  
Acting Administrator, FAA

---

**From:** spinkerton  
**Sent:** Thursday, April 12, 2018 1:53 PM  
**To:** Burr, Geoff (OST) <[geoff.burr@dot.gov](mailto:geoff.burr@dot.gov)>; Elwell, Daniel (FAA) <[Daniel.Elwell@faa.gov](mailto:Daniel.Elwell@faa.gov)>; McMaster, Sean (OST) <[sean.mcmaster@dot.gov](mailto:sean.mcmaster@dot.gov)>; Brown, Chris C (FAA) <[chris.c.brown@faa.gov](mailto:chris.c.brown@faa.gov)>  
**Subject:** RTCA - today's hearing

Was just told that Mario will ask the Secretary about FACA issue with RTCA

## Elwell, Daniel (FAA)

---

**From:** spinkerton  
**Sent:** Thursday, April 12, 2018 7:02 PM  
**To:** Elwell, Daniel (FAA); McMaster, Sean (OST); Brown, Chris C (FAA); Burleson, Carl (FAA); Burr, Geoff (OST)  
**Subject:** RTCA - today's hearing

This certainly isn't what RTCA had hoped for, but still.

As I told Carl, they indicated they have "other" options than the approps bill, so I am wondering what that is. Our BOD "vote" is on Tuesday, I've told RTCA that I'd like the opportunity to see what scenarios we're considering well before the vote

Diaz-Balart said that DOT/FAA utilized advisory committees to focus NextGen. Approps Committee likes the NAC. When talking about advisory committees, given interest, he hopes and expects that DOT would advise the Committee on any changes to charters or organization they may be making. Approps wants assurances and sees value in being in the loop. Chao responded that she thinks he is talking about RTCA and that DOT is currently in negotiations on it. She will keep the Committee updated.

**Note:** Diaz-Balart never actually said the term "RTCA" only NAC. The sooner those charters are out the better.

Sent from my iPhone

Begin forwarded message:

**From:** "Burr, Geoff (OST)" <[geoff.burr@dot.gov](mailto:geoff.burr@dot.gov)>  
**Date:** April 12, 2018 at 1:56:26 PM EDT  
**To:** spinkerton <[spinkerton@airlines.org](mailto:spinkerton@airlines.org)>  
**Cc:** "Elwell, Daniel <AWA>" <[daniel.elwell@faa.gov](mailto:daniel.elwell@faa.gov)>, "McMaster, Sean (OST)" <[sean.mcmaster@dot.gov](mailto:sean.mcmaster@dot.gov)>, "Brown, Chris C <AWA>" <[chris.c.brown@faa.gov](mailto:chris.c.brown@faa.gov)>  
**Subject:** Re: RTCA - today's hearing

Thank you.

Sent from my iPhone

On Apr 12, 2018, at 1:53 PM, spinkerton <[spinkerton@airlines.org](mailto:spinkerton@airlines.org)> wrote:

Was just told that Mario will ask the Secretary about FACA issue with RTCA



**From:** [spinkerton](#)  
**To:** [Elwell, Daniel \(FAA\)](#); [Burleson, Carl \(FAA\)](#)  
**Subject:** A4A to FAA SB ADSB Support letter  
**Date:** Tuesday, May 01, 2018 12:59:43 PM  
**Attachments:** [A4A to FAA SB ADSB 5-01-18.pdf](#)  
[ATT00001.htm](#)

---

Good seeing you Dan!



May 1, 2018

The Honorable Daniel K Elwell  
Acting Administrator  
Federal Aviation Administration  
800 Independence Avenue, S.W.  
Room 1010  
Washington, DC 20591

Dear Administrator Elwell:

This letter is to request that the FAA place a high-priority on seizing near-term operating benefits from space-based ADS-B-enabled enhanced oceanic separation services. As you know, the airlines are spending billions in ADS-B avionics investment in support of NextGen. These enhanced services in the oceans present an important opportunity to provide an immediate return on that historic investment, rewarding early adopters and incentivizing others to accelerate their effort to meet the 2020 mandate.

We commend the FAA's leadership in forming the Enhanced Surveillance Task Group (ESTG) under the NextGen Advisory Committee and support the recommendations of that task group:

- FAA should proceed with the introduction of enhanced surveillance capability in oceanic airspace
- Space-based ADS-B technology, when coupled with Future Air Navigation System (FANS) appears to be closer to providing a reduced separation of 15/15
- Based on data and information available to ESTG, FAA should (as an ANSP) bear the cost for enhanced surveillance costs as it does domestically
- Implementation of enhanced surveillance should be done by regions
- The WATRS [West Atlantic] airspace region holds the most potential for increased benefit
- The ESTG recommends the FAA engages and provides interim reports to the NACSC on the development of the business case analysis

As you know, the ESTG report represents the views of a broad cross-section of industry stakeholders. It reflects over one year of rigorous deliberation that produced precisely the type of industry consensus guidance FAA envisioned when it spearheaded the initiative. This group also made it clear that FAA should not ask carriers to pay additional fees for this service given the clear statutory prohibition on new fees and the current overpayment into the trust fund from commercial passengers and carriers. Given our significant investment in ADSB avionics without corresponding benefits, it is all the more critical that this program be implemented in a timely fashion. We would also ask that the

FY18 Omnibus' additional almost \$1 billion in F&E and other funding be used to ensure timely implementation of this important program.

We also support the FAA plan to implement automation upgrades required to provide enhanced surveillance services and the plan to conclude a final investment decision in September 2018 for the implementation of a reduced oceanic separation capability. Our member airlines have performed additional analyses that identify substantial operational and safety benefits to U.S. carriers in U.S. oceanic airspace. We also encourage the FAA to look at areas where space-based ADS-B can support operations in remote areas of the NAS with surveillance limitations such as the Gulf of Mexico, Alaska and Rocky Mountain states.

As the ESTG recommendation states, it is essential that the U.S. airlines participate with the FAA in the development of the benefits case to ensure the airlines interests are fully considered in the decision process.

We understand that a space-based ADS-B service will be available in 2019. The members of the International Civil Aviation Organization's North Atlantic Systems Planning Group, on which FAA participates, plan to begin operational trials in 2019. We expect the Federal Aviation Administration, with airline support, to be ready to participate in these operational trials in 2019. This will ensure that the U.S. will be able to offer this capability to manage traffic with reduced separations by 2020 consistent with the U.S. avionics mandate. As the largest user of North Atlantic oceanic airspace, seamless oceanic operations between North America and Europe are vital to our members.

We thank you in advance for your support on this important matter.

Sincerely,



Sharon Pinkerton  
Senior Vice President  
Legislative and Regulatory Policy  
Airlines for America

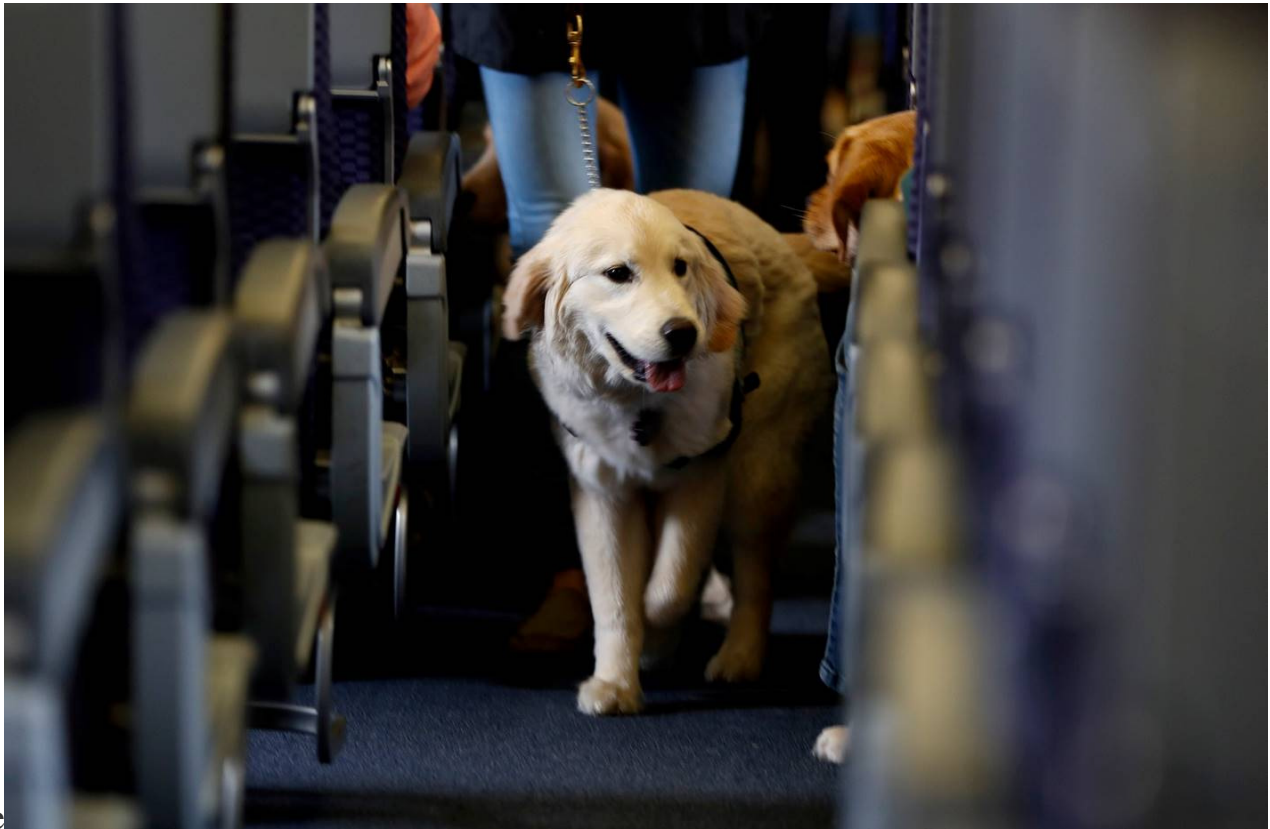
**Elwell, Daniel (FAA)**

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**From:** spinkerton  
**Sent:** Wednesday, May 02, 2018 8:33 AM  
**To:** spinkerton  
**Subject:** NYT: Is That Dog (or Pig) on Your Flight Really a Service Animal? - Must read

<https://www.nytimes.com/2018/05/01/travel/service-animals-planes.html>

***Is That  
Dog (or  
Pig) on  
Your  
Flight  
Really a  
Service  
Animal?  
Is That  
Dog (or  
Pig) on  
Your  
Flight  
Really a  
Service  
Animal?***



Image

A service dog on a plane at Newark Liberty International Airport during a training exercise last year. The Department of Transportation is considering rules to counteract passengers who falsely claim their pets are service animals. Credit: Julio Cortez/Associated Press

**By Christopher Mele**

May 1, 2018

Sharon L. Giovinazzo, president and chief executive of [World Services for the Blind](#), was recently walking through an airport with her trained service dog Watson when a “pocket pooch” growled and then bit him, she said.

The owner apologized and said the dog was her service animal. Ms. Giovinazzo, an Army veteran who lost her sight to multiple sclerosis in 2001, was not having it.

“Yeah, yeah. Sure, sure, lady,” she recalled telling the owner. “Then your animal should be secured and trained not to do that.”

Ms. Giovinazzo said the dog was an untrained pet masquerading as a service animal in what advocates for people with disabilities said had become a growing problem in the last few years.

“It’s gotten to the point where it’s almost funny unless you are the one with the legitimate guide dog,” Ms. Giovinazzo said.

Confusion over service dogs, which are specially trained to help people with disabilities, and emotional support animals, which can be pets that provide comfort and companionship but require no training, cloud the issue.

Recent headlines about passengers trying unsuccessfully to board flights with what they said were support animals — [a peacock](#) in one case and [a hamster](#) in another — as well as federal regulations that are subject to misinterpretation or abuse have made matters worse, experts said.

Regulators and airlines have taken notice.

## Cracking Down on Fraud

[Delta](#) and [Alaska Airlines](#) have tightened their rules for transporting service and support animals, and the federal Department of Transportation is exploring new [rules](#) to reduce the likelihood that airplane passengers falsely claim their pets as service animals. The department plans to solicit public comment about the “appropriate definition” of service animals, a spokeswoman said.

Twenty-two [states already have some kinds of laws](#) addressing the issue and lawmakers in [Arizona](#), [Iowa](#) and [Minnesota](#) are considering cracking down on service dog fraud.

### ADVERTISEMENT

The [Americans With Disabilities Act](#) defines service animals as either dogs or miniature horses that are specifically trained to do work or perform tasks for people with disabilities, such as guiding people who are blind. The [Air Carrier Access Act](#) separately governs airlines in the area of service and support animals — and that’s one of the places prone to abuse.

Passengers pass off their pets as support or service animals so they can remain in the cabin instead of the cargo hold, officials said. (While unusual pets, such as pigs, have been taken aboard as support animals, airlines are not required to accommodate others, like snakes, reptiles, ferrets, rodents and spiders.)

Senator Richard Burr, Republican of North Carolina, last week introduced legislation to have the definition of a service animal under the Air Carrier Access Act match the one in the Americans with Disabilities Act. The proposal would bar from flights animals whose sole function was to provide comfort or emotional support and require federal agencies to



establish a standard of behavior training for animals that would be working on planes, according to a [news release](#).

## Abuse Takes a Toll on Legitimate Cases

Gerry DeRoche, chief executive of the [National Education for Assistance Dog Services](#), said fraudulent service or support animals could displace legitimate ones because most airlines limit the number allowed in a cabin.



Image

A woman tried unsuccessfully in January to board a flight at Newark Liberty International Airport with a peacock that she described as her emotional support animal. Credit: The Jet Set TV/via Reuters

[Jeffrey N. Younggren](#), a clinical professor at the department of psychiatry and behavioral sciences at the University of New Mexico, said studies about the benefits of emotional support animals were “spotty and inconsistent.”

“Before we start loading up airplanes with emotional support animals, we need the research,” he said.

Official-looking paperwork is available online to make pets look legitimate: Owners answer questions about their need for a support animal, and a doctor issues an assessment without ever evaluating the client, Mr. Younggren said.

“The whole thing is a mess,” he said, adding that such websites have become a “growth industry” over the last five years.

[David Favre](#), a law professor at Michigan State University and editor in chief of its [Animal Legal and Historical Center](#), said fraudulent cases eroded trust about service animals.

“There are many thoughtless, ignorant or arrogant people out there who only think of themselves,” he said. “Abuse is everywhere.”

Even for trained animals, maneuvering through crowds or traveling in confined places like planes can be stressful, but they are conditioned not to act out. Untrained animals in those circumstances are prone to misbehave by growling, biting or having accidents.

Chris Diefenthaler, operations administrator at [Assistance Dogs International](#), said one of the worst outcomes could be when a pet posing as a service dog attacks a legitimate one, leaving it so traumatized or injured it has to be retired or put down.

“There are no standards for evaluating the need for an emotional support animal, whereas there are concrete rules to determine if someone is eligible for a service animal,” Cassie Boness, a graduate student in clinical psychology in the department of psychological sciences at the University of Missouri, [said in a post on the university’s website](#).

“But emotional support animals can be certified through an online process, and they can be someone’s pet,” she continued. “The growing use of emotional support animals tends to discredit the use of service animals, which is where much of the tension comes from since people do not understand the difference.”

ADVERTISEMENT

Also, people can shop online for vests, patches or harnesses that identify their pets as service animals, leading to peculiar situations.

For instance, Ms. Giovinazzo, who flies frequently, said airline workers sometimes ask for identification for Watson. A detailed one issued by his guide school will draw scrutiny, while one that reads “TSA approved” that she bought from Amazon “looks more official,” she said.

Cathy Zemaitis, director of development for National Education for Assistance Dog Services, shared a photo taken at Los Angeles International Airport of a dog wearing a vest labeled “service animal,” a muzzle and a diaper.



“A true service dog would never be muzzled nor would they be in a diaper,” she said.

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**REPORT OF THE**  
**REGULATORY REFORM TASK FORCE**  
**U.S. DEPARTMENT OF TRANSPORTATION**

**May 25, 2017**

On February 24, President Trump signed Executive Order (EO) 13777, titled “Enforcing the Regulatory Reform Agenda,” directing each Federal agency to take specific actions to alleviate unnecessary regulatory burdens and to provide a report to the agency head on progress within 90 days. This report documents the Department of Transportation’s (DOT or the Department) progress in implementing the President’s policy goals, as set forth in EO 13777.

**Background**

Through EO 13777, the President directed agency heads to designate a Regulatory Review Officer (RRO) to “oversee implementation of regulatory reform initiatives and policies to ensure that the agencies effectively carry out regulatory reforms, consistent with applicable law.” These initiatives and policies include: EO 13771 (Reducing Regulation and Controlling Regulatory Costs); EO 12866 (Regulatory Planning and Review), as amended; section 6 of EO 13563 (Improving Regulation and Regulatory Review); and the termination of programs and activities that derive from or implement EOs, guidance documents, policy memoranda, rule interpretations, and similar documents, or relevant portions thereof, that have been rescinded.

The President also directed each agency to establish a Regulatory Reform Task Force (RRTF), with the RRO as the chair, to evaluate existing regulations and to make recommendations for their repeal, replacement, or modification. At a minimum, each RRTF is directed to identify regulations that: (i) eliminate jobs, or inhibit job creation; (ii) are outdated, unnecessary, or ineffective; (iii) impose costs that exceed benefits; (iv) create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies; (v) are inconsistent with the requirements of section 515 of the Treasury and General Government Appropriations Act, 2001 (44 U.S.C. 3516 note), or the guidance issued pursuant to that provision, in particular those regulations that rely in whole or in part on data, information, or methods that are not publicly available or that are

insufficiently transparent to meet the standard for reproducibility; or (vi) derive from or implement EOs or other Presidential directives that have been subsequently rescinded or substantially modified. As a part of the evaluation process, each RRTF is directed to seek input from public and private stakeholders.

Pursuant to EO 13777, Secretary of Transportation Elaine L. Chao appointed Jeffrey Rosen, Deputy Secretary, to be the RRO and established the Department's RRTF. The Department's RRTF consists of two components: a working group and a leadership council. The working group coordinates with leadership in the Office of the Secretary (OST) and DOT operating administrations (OAs) to conduct reviews and develop recommendations for deregulatory action. The working group presents recommendations to the leadership council, which, in turn, submits recommendations to the Secretary. This framework allows the RRTF to effectively identify, assess, and execute the President's regulatory reform agenda.

Currently, the members of the working group are: James Owens (Chair), Daniel Elwell (Advisor to the Secretary), Matthew Kopko (Counselor to the Deputy Secretary), Loren Smith (Advisor to the Secretary), Maria Lefevre (Executive Director, Policy), Judy Kaleta (Acting General Counsel), and Jonathan Moss (Assistant General Counsel for Regulation). Members of the leadership council are: Jeffrey Rosen (Deputy Secretary), Jim Ray (Senior Advisor to the Secretary for Infrastructure), Marianne McInerney (Assistant to the Secretary and Director of Public Affairs), Kris Iverson (Advisor to the Secretary), and Laura Genero (Advisor to the Secretary).

The RRO and the RRTF have two principal reporting requirements under EO 13777. First, the RRO is charged with periodically reporting to the agency head. Second, the EO directed the RRTF, under the RRO's leadership, to report to the agency head no later than 90 days after the EO was issued, and on a schedule determined by the agency head thereafter. This report fulfills that 90-day reporting directive.

## **Implementation**

The RRTF is pleased to report that it has already made significant progress in implementing EO 13777 and advancing the President's deregulatory priorities.

The RRTF's first task was to prepare the Department's submission for the Spring 2017 *Unified Agenda of Federal Regulatory and Deregulatory Actions (Unified*

*Agenda*). The *Unified Agenda*, which OMB compiles twice annually, synthesizes the regulatory agenda of each Federal entity into one government-wide plan.<sup>1</sup> Typically, the Department's submission consists of those regulations it currently has under development or review; however, on January 30, 2017, President Trump signed EO 13771 titled, "Reducing Regulation and Controlling Regulatory Costs," which directed agencies to balance certain regulatory actions with deregulatory actions. Under that EO, agencies must identify at least two existing regulations for repeal for each new regulation promulgated. In addition, agencies must create a regulatory budget that offsets the incremental costs of any new regulations by eliminating costs associated with existing regulations.

To prepare the Department's *Unified Agenda* consistent with the President's regulatory reform priorities, the RRTF began a comprehensive review of all current and projected regulatory actions. As a part of this extensive, Department-wide review, the RRTF directed the OAs and Office of the Secretary Offices (OST) with regulatory authority to provide background information for each regulatory and deregulatory action. Following review of these materials, the RRTF conducted a series of meetings with career and non-career OST and OA staff to discuss regulatory priorities and prepare balanced regulatory budgets for Fiscal Years 2017 and 2018. After considerable deliberation, the RRTF prepared a regulatory agenda that reflected the President's regulatory reform objectives, which was approved by Secretary Chao and submitted to the Office of Management and Budget (OMB).

Concurrent with the development of the regulatory agenda, the RRTF directed the OAs to identify regulations and policies that impose unnecessary regulatory burdens on stakeholders and that could be repealed, replaced, or modified without compromising the safety of the nation's transportation system. In addition, the RRTF directed the OAs and OST with regulatory authority to provide background information on rules that OST leadership identified for review as well as potential deregulatory actions. The RRTF has already held a series of meetings at both the working group and leadership council level to discuss options with OST and OA staff and to make recommendations.

On May 24, 2017, the RRTF submitted its first round recommendations to Secretary Chao. This first round included 14 rules that were extended, withdrawn, or put on hold consistent with the "regulatory freeze" memorandum dated January

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<sup>1</sup> For more information on the Unified Agenda, see: [www.reginfo.gov/public/jsp/eAgenda/StaticContent/UA\\_About.jsp](http://www.reginfo.gov/public/jsp/eAgenda/StaticContent/UA_About.jsp).

20, 2017 from White House Chief of Staff Reince Priebus. That memorandum directed Federal agencies to withdraw documents at the *Federal Register* awaiting publication and to postpone the effective date of regulations that were not in effect by January 20. The purpose of the regulatory freeze was to give the President's new leadership team an opportunity to review the legal and policy implications of these "midnight" regulations. To comply with the spirit in which the regulatory freeze was intended, the Department withdrew documents pending publication at the *Federal Register*, extended effective dates on rules that had already been published but were not yet in effect, extended compliance dates for rules that were already in effect, and withdrew rules that were under review with OMB.

## **NEXT STEPS**

The RRTF remains focused on alleviating unnecessary burdens to spur economic activity and encourage innovation. Although it has made tremendous progress in just a few months, a significant amount of work remains. The RRTF will continue evaluating the potential deregulatory actions that the OAs and OST offices with regulatory authority, OST leadership, and OMB have already identified, and remains committed to working with the OAs and OST offices with regulatory authority to identify additional ways to provide relief from regulatory burdens. In addition, the RRTF will meet with each OA and OST offices with regulatory authority on a monthly basis to monitor progress on existing deregulatory initiatives and to continue to develop recommendations for future action.

The RRTF will also be engaging with stakeholders on both a formal and informal basis. In the coming weeks, the Department plans to announce a series of initiatives soliciting public input on existing rules and other agency actions that are good candidates for repeal, replacement, suspension, or modification. The OAs and OST offices with regulatory authority will also be encouraged to solicit additional input from their stakeholders. For example, the Federal Aviation Administration has already tasked one of its advisory bodies, the Aviation Rulemaking Advisory Committee, with identifying potential deregulatory actions.

Finally, the RRTF is cognizant that its work is intrinsically intertwined with other Presidential priorities. For example, the Department is currently reviewing its existing policy statements, guidance documents, and regulations to identify unnecessary obstacles to transportation infrastructure projects. The RRTF will partner with the team leading this review to make recommendations to the Secretary. The RRTF will also partner with a team working to identify actions that

the Department may take to alleviate or eliminate regulatory burdens or burdens on domestically produced energy resources, in accordance with EO 13783 (“Promoting Energy Independence and Economic Growth”).

## **CONCLUSION**

The RRTF is working diligently to implement the President’s regulatory reform priorities. Although the RRTF’s initial focus has been on the urgencies of preparing the *Unified Agenda* and addressing midnight rules issued during the previous administration, it will now begin shifting its focus to public engagement, prospective deregulatory action, and cross-cutting Administration priorities. In accordance with EO 13777, the RRTF will continue to prepare periodic reports on this progress.

**From:** spinkerton <SPinkerton@airlines.org>  
**Sent:** Monday, March 6, 2017 10:38 AM  
**To:** Elwell, Daniel (OST) <daniel.elwell@dot.gov>; Fiorentino, Marty (OST) <marty.fiorentino@dot.gov>  
**Subject:** Nick to S1  
**Attach:** Airlines.pdf; ATT00001.htm; Industry Regulatory Comparisons.pptx; ATT00002.htm

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Dan

I've heard you are looking for examples of rules that concern us, wanted to make sure you had this memo that also contains unnecessary reporting requirements.

So that you know, I've formed a carrier Reg Reform working group and Am working on a more comprehensive document that will put these regs in context and explain why they are a drag on carrier ability to drive jobs and economic growth. Will also contain suggestions on much need Process reforms to ensure we have the right framework for the future.

## **PURPOSE**

The purpose of this memo is to provide an overview of the U.S. airline industry's jobs and economic impact, policy and legislative priorities, regulatory challenges, tax burden including the passenger facility charge (PFC) and unnecessary reporting requirements.

## **JOBS AND ECONOMIC IMPACT**

The U.S. airline industry is an integral part of the U.S. economy. In 2014, according to the FAA, economic activity in the U.S. attributed to commercial aviation-related goods and services totaled \$1.54 trillion, generating 10.2 million jobs with \$427 billion in earnings. Airlines work closely with DOT and FAA and are currently experiencing the safest period in aviation history, providing a gold standard for the global community.

Consumers are also benefiting, adjusted for inflation, domestic travel costs more than 40 percent less than it did in 1980. The industry numbers show the sheer size and scope of U.S. airline activity is extraordinary, although often overlooked. U.S. airlines:

- On a daily basis fly more than 2 million passengers and close to 50,000 tons of cargo on approximately 27,000 flights serving approximately 800 airports in 80 countries;
- Employ almost 700,00 workers (as of December 2016);
- Raised average wages and benefits more than 29 percent (passenger airlines) during the 2010-2015 period, more than double the growth rate of the overall U.S. private sector (13 percent).
- Full time equivalent employee numbers rose 8.6 percent from 2010-2016 (410.7K) with data showing that U.S. airline workers enjoy wages 38 percent higher than private sector average; and
- Collectively invest, through capital expenditures, at a rate of \$1.4 billion per month.
- Over \$100 billion of capital projects have been completed, are underway or approved at the nation's 30 largest airports alone since 2008.

Airlines can contribute even more to our economy through increased investment (planes, technology) and more high paying jobs -- all to the benefit of employees and customers if the government would let us operate like other businesses.

## **ATC REFORM**

The U.S. has the safest airspace in the world, but it is not the most efficient. Unnecessary travel delays cost the U.S. economy/passengers approximately \$25 billion annually. These delays are in large part the result of system-wide air traffic control (ATC) inefficiencies resulting from the use of outdated, WWII-era radar technology. For example, flights between Washington, D.C. and New York used to take 55 minutes, but to account for air traffic delays, these flights are now scheduled to take 80 minutes. As a vital part of U.S. economic infrastructure, our airspace is the equivalent of driving on a gravel road.

Our ATC funding and governance system is broken beyond repair within the constraints of government. Funding for ATC is repeatedly subject to stops and starts from government-wide budget restrictions and shutdowns, compromising safety advancements, efficiency and modernization.

The DOT Inspector General and the GAO have issued repeated reports about the lack of progress modernizing our ATC system. For example, the multi-billion dollar En Route Automation System (high altitude air traffic control) has experienced delays of nearly 4 years and cost growth of over \$400 million.



ATC reform has been proven to work all over the world. More than 40 countries already have evolved their ATC systems by separating ATC operations from the safety regulator. Countries that have already modernized their systems like the UK, Germany and Canada have proven that we can better invest our resources, improve the economy, achieve efficiencies and utilize the power of private sector financing all while improving safety for the benefit of passengers and all users of the aviation system. Canada in particular is far outpacing the technological capabilities of the U.S. and has become a world leader in the ATC sector where the U.S. previously held dominance for decades. NavCanada along with several European air navigation service providers are implementing one of the most significant advancements for aviation safety and navigation (satellite based Automatic Dependent Surveillance-Broadcast). This transformative technology is a step-change over radar based technologies and provides air traffic controllers a precise satellite-based surveillance system on an aircraft's location, airspeed and other data. The mystery of Malaysia flight 370 could have been avoided with this technology. Beginning in 2018, air traffic controllers – in other nations – will use “satellite-based” ADS-B to control aircraft over the oceans.

ATC reform will also have a positive impact on aviation safety. In fact, in a report done on behalf of the FAA by the MITRE Corporation they analyzed the safety impact of separating the air traffic provider from the civil aviation authority (CAA) safety regulator and reported –

- “The collective experience after separating the ANSP provider from its CAA is quite good. The primary responsibility of a CAA is safety regulation. Despite many approaches to organizing the CAA and the ANSP, in each case the safety record of the ANSP was equal to, or better than, the record prior to the separation...”

This Administration has the opportunity to restore America's role as a leader in ATC technology and innovation while helping passengers and air service providers who have been forced to accept inefficiencies and delays. Transforming our ATC system would be the single largest aviation public policy advancement since deregulation in 1978.

## **TAX BURDEN**

The U.S. aviation industry, and most importantly its customers, are subject to 17 unique federal aviation taxes in addition to standard corporate taxation. In FY2016, special U.S. aviation taxes totaled approximately \$23.1 billion, or more than \$63 million per day. Federal excise taxes on domestic air travel are higher than ‘sin taxes’ levied on tobacco and alcohol which are often imposed to diminish use of the product. For example, a \$300 one-stop domestic roundtrip ticket includes federal taxes of 21 percent (\$63). The industry has steadfastly opposed the imposition of any new taxes or fees, including the PFC.

## **PASSENGER FACILITY CHARGE (PFC)**

The airport community tries to conflate the highway funding crisis with airport infrastructure funding despite the clear differences and opposite funding realities. The fact of the matter is that there is absolutely no funding crisis regarding airport infrastructure. There's no need to increase taxes when there is \$6 billion (\$7 billion by the end of FY17) of unobligated funding in the FAA Trust Fund. This should not be construed to mean that air carriers oppose infrastructure investment, quite the opposite, airlines and airports negotiate infrastructure deals every day through use and lease agreements. For example –

- Over \$100 billion of capital projects have been completed, are underway or approved at the nation's 30 largest airports alone since 2008. These include, for example, new runways at Fort Lauderdale, Washington (Dulles), Seattle, and Charlotte, multiple new runways at Chicago (ORD), new international facilities at Atlanta and Los Angeles, and new, expanded or

modernized terminals at Miami, Las Vegas, Orlando, Hawaii, Houston, Denver, Seattle, Salt Lake City and San Francisco.

- Development is also robust at smaller airports, including, for example, runway projects at Erie, Columbus, Dayton, Des Moines, Nashville and Sioux Falls and terminal projects at New Orleans, Eugene, Grand Rapids, Greenville-Spartanburg, Norfolk, Portland (Maine), Reno-Tahoe and Wichita.

At the same time, airports are collecting record levels of revenues and are well positioned to fund necessary capital projects. U.S. airports collected nearly \$27 billion in 2015 including:

- a record high \$10.7 billion in airline rents and fees;
- a record high \$9.1 billion in non-airline revenues (e.g., terminal food and beverage, retail and duty free; rental cars; parking and ground transportation; and hotels);
- nearly \$3.4 billion from the FAA's Airport Improvement Program (AIP);
- \$3.0 billion from Passenger Facility Charges (PFCs); and
- Interest/Other Income of \$539 million.

Airport revenues also far outpace inflation and operations. From 2000 to 2015, U.S. airport revenues on a per passenger basis grew 44 percent, exceeding inflation (by contrast, the U.S. Consumer Price Index rose 38 percent), while passenger and cargo airline departures declined 15 percent.

Airports have plenty of available cash - according to their own financial reports filed with FAA, U.S. airports ended 2015 with almost \$12.7 billion of unrestricted cash and investments on hand which is the equivalent of about 362 days of liquidity.

Airports also have access to capital markets at preferred rates - all U.S. airports rated by Standard & Poor's enjoy investment-grade credit ratings, which ensure ample access to the bond market to fund necessary airport capital projects (by contrast, only one U.S. passenger airline has investment-grade credit). Those capital markets are viable and bonds remain the primary funding source for airport capital projects and to our knowledge, no airport has been prevented from obtaining bond funding.

The Airport and Airway Trust Fund (AATF) is also stable with an uncommitted balance of nearly \$6 billion which is the highest level since 2001. CBO forecasts the uncommitted balance will be \$7 billion by the end of FY17. Funding for airport projects of all sizes is secure.

At a time when federal, state and local governments are promoting trade and tourism to bolster economic recovery, raising the \$4.50 PFC cap would instead discourage air travel and air service growth. Even a \$1 increase in the PFC cap would cost airline passengers an additional \$800 million annually.

Air travelers are price sensitive and even the smallest increase in airline ticket costs has a negative impact on travel decisions. In December 2014 the GAO found that increasing the PFC cap would slow passenger growth and reduce revenues in the Airport and Airway Trust Fund. This implies that further increases in government-imposed taxes and fees would lower airline revenue, dampen demand for air travel, and reduce U.S. economic activity.

## **REGULATORY OVERREACH**

Federal regulations impose a massive cumulative burden on the U.S. airline industry that makes air travel more expensive for consumers. The regulatory tentacles of four cabinet-level departments and six federal

agencies touch nearly every aspect of an airline's operations, making the supposedly deregulated industry one of the most regulated sectors of the U.S. economy, often to the detriment of the flying public. In fact, in January 2016, a study by the Mercatus Center at George Mason University ranked "Scheduled Air Transportation" as the sixth-most federally regulated out of 107 U.S. industries.

U.S. airlines are an indispensable driver of our economy, but they are doing so in an environment in which the DOT has increasingly intervened over the last eight years with economic regulation of its own designed to shape the contours of the market, rather than relying on market forces and the inventiveness of the marketplace. This is demonstrated by the Obama Administration's midnight supplemental NPRM (Notice for Proposed Rule Making) micromanaging airline product distribution three days before the inauguration. Airlines understand the need for a strong safety regulatory regime. However, when dealing with customer service and economic regulations, the government needs to be data driven, transparent and limited to exercising their authority only to prevent unfair and deceptive practices.

### **Needed Action on Specific DOT Economic Regulations:**

**Repeal the Full Fare Advertising Rule.** This regulation treats airfare differently than virtually all other consumer products, which are advertised by their base price. Consumers know that when they purchase a good or service that taxes and mandatory fees will be included in the total price. It does not enhance fare transparency. In fact, this rule inhibits transparency because it hides the federal taxes and fees consumers pay when purchasing a ticket. This rule, adopted in 2011, should be repealed.

**Repeal SNPRM for Mandatory Display of Optional Services in All Outlets.** DOT has issued a Supplemental Notice of Proposed Rulemaking that would require airlines to display certain optional services through every distribution outlet they use to sell tickets. This rule would abrogate the accepted principle that companies have the right to choose how they distribute their products and with whom they will do business to distribute them. It is the equivalent of a law requiring Apple to sell all of its products at Radio Shack because it allows Radio Shack to sell their earphones. (DOT) SNPRM – Optional Services (Nov. 16, 2016.)

**Withdraw Request for Information on Industry Practices on Distribution and Display of Airline Fare, Schedule, and Availability Information.** DOT is investigating whether the ordinary business practice of choosing one's distribution partners and outlets, found throughout all other U.S. industries, constitutes an unfair or deceptive practice. This is a prime example of DOT stretching its limited consumer protection authority. DOT is ignoring long standing policy that recognizes airlines, like all other businesses, have the right to choose with whom they do business. The Request for Information is a prime example of DOT substituting its judgment for market forces based on an expansive and unsupported reading of its limited consumer protection authority.

**Repeal Specific Provisions of Passenger Protection Rule 3.** Specifically, we request the repeal of the very detailed provisions of how and when a carrier must disclose when a codeshare partner is operating a flight. We support the Congressional requirement that carriers disclose codeshares. We do not support DOT's micromanagement with respect to font size and location of disclosure. (DOT) Final Rule – Enhancing Passenger Protections III, 81 Fed. Reg. 26800 (Nov. 3, 2016)

**Withdraw Proposed Rule Regulating Use of Cell Phones.** Carriers are working with employees and passengers to evaluate the appropriate use of cell phones. DOT should limit the use of its authority to safety and unfair and deceptive practices, which are not raised in this context. Congress is also debating cell phone use on flights, and it makes sense that DOT would defer action until Congress acts.

## **UNNECESSARY REPORTING REQUIREMENTS**

In addition to DOT's overly burdensome economic regulation air carriers are also disproportionately required to report an unnecessary amount of information to the federal government compared to other modes of transportation including passenger rail and bus. *(Please See Attached Slide Deck)*

It would be a worth-while exercise to have DOT conduct a fair and comprehensive review of all the data reporting requirements applied to the airline industry in an effort to determine a finite list of useful data points. In far too many instances DOT's reporting requirements are useless, unnecessary, contain what should be considered proprietary information, not applied to other modes, and/or take far more man power than is justified for the data point. In some instances these requirements are decades old and could use a fresh review.

Ideally, in collaboration with industry economic experts, an analysis would need to be done to determine what is necessary, can be streamlined or reformed, statutorily mandated, at DOT's discretion, and a strategy to deal with each unique requirement. Below is a small sample list of some examples, by no means exhaustive, that should be reviewed.

### **Examples of Unnecessary DOT Reporting Requirements:**

**Reporting of Complaint Rates.** This data goes back to 1990 and the annual rate has never exceeded 3 complaints per 100,000 passengers. In fact, the data has been under 2 complaints per 100,000 passengers in every single year since 2001. The data is routinely misinterpreted by media and policymakers as an indicator of customer satisfaction. It also ignores duplicative work done outside the federal government by the American Customer Satisfaction Index, JD Power, and A4A Air Travel Surveys (conducted by Ipsos) that indicate high levels of customer satisfaction. The federal government does not require providers of bus, rail, or ocean-going transportation to report complaint rates.

**Requirement to Report Detailed Data on Tarmac Delays.** Lengthy tarmac delays are infrequent and often the result of ATC problems, so reporting them misleads the public as to the root cause of the delay. The federal government does not require providers of bus, rail, or ocean-going transportation to report on-time performance at all, let alone extended delays.

**Requirement to Report Mishandled Baggage.** The 2016 rate was only 2.70 mishandled bag reports per every 1,000 passengers, meaning that 99.73% of passengers had their bags handled properly over the course of the year – the best ever recorded. The federal government does not require providers of bus, rail, or ocean-going transportation to report any type of baggage handling statistics.

**Requirement to Report Incidents Involving the Loss, Injury or Death of Animals.** These monthly reports are of little to no value and are not required by DOT of other modes of transportation – in all of 2016, reporting airlines transported 523,743 animals, for which there were only 48 incidents (26 deaths, 22 injuries), or a remarkably low 0.92 incidents per 10,000 animals transported. The annual report is required even if a carrier had no reportable incidents during the year.

## **CONCLUSION**

The aviation industry connects the world. You have an historic opportunity to make air travel better by reforming our outdated air traffic control system and reforming an outdated regulatory regime. We look forward to working with you.

# In the United States, Airline Marketing and Customer Service Are Subject to a Greater Degree and Scope of Government Regulation than Other Key Service Industries

|   | Description of federal requirement (or absence thereof)  |
|---|--|
| <b>Service Delivery Reporting</b>       | Reporting (to the federal government) of various customer service quality metrics, such as on-time performance, trip completion, mishandled baggage, overbooking rates, complaint rates  |
| <b>Full-Fare Advertising</b>            | Requirement to display the price of the product/service to the customer up front inclusive of all federally imposed or approved (e.g., passenger facility charge) taxes and fees   |
| <b>Ancillary Revenue Reporting</b>      | Reporting of revenue generated from various products/services other than the transportation of the customer himself (e.g., food and beverage, entertainment, WiFi)   |
| <b>24-Hour Purchase Refundability</b>   | Requirement to either 1) hold booking for 24 hours without taking payment or 2) refund (fully) the amount paid by the customer if booking canceled within 24 hours   |
| <b>Detailed Reporting of Demand</b>     | Monthly/quarterly reporting of traffic carried, capacity operated/offered, revenue   |
| <b>Detailed Reporting of Costs</b>      | Quarterly reporting of expenses by region (e.g., Domestic, Atlantic, Latin, Pacific), by vehicle (e.g., aircraft) type, etc.   |
| <b>Reporting of Average Prices Paid</b> | Quarterly reporting of coupons, itineraries (origin, connecting points, destination) revenue, average fare, etc. by city pair (origin-destination)   |
| <b>Operational Contingency Plans</b>    | DOT (14 CFR Part 259) requires airlines to adopt Contingency Plans for Lengthy Tarmac Delays for its scheduled and public charter flights. FAA Modernization and Reform Act of 2012 requires airlines to submit to DOT for review and approval Contingency Plans for Lengthy Tarmac Delays. Airlines are required to coordinate their Contingency Plans for Lengthy Tarmac Delays with (1) all small hub, medium hub, large hub and non-hub U.S. airports served by the airline, and regular U.S. diversion airports; and (2) CBP and TSA such airports. |

**Sent:** Mon 3/6/2017 10:37:36 AM  
**Importance:** Normal  
**Subject:** Nick to S1  
**MAIL\_RECEIVED:** Mon 3/6/2017 10:38:22 AM

In the United States, Airline Marketing and Customer Service Are Subject to a Greater Degree and Scope of Government Regulation than Other Key Service Industries

Description of federal requirement (or absence thereof)

Service Delivery Reporting

Reporting (to the federal government) of various customer service quality metrics, such as on-time performance, trip completion, mishandled baggage, overbooking rates, complaint rates

Full-Fare Advertising

Requirement to display the price of the product/service to the customer up front inclusive of all federally imposed or approved (e.g., passenger facility charge) taxes and fees

Ancillary Revenue Reporting

Reporting of revenue generated from various products/services other than the transportation of the customer himself (e.g., food and beverage, entertainment, WiFi)

24-Hour Purchase Refundability

Requirement to either 1) hold booking for 24 hours without taking payment or 2) refund (fully) the amount paid by the customer if booking canceled within 24 hours

Detailed Reporting of Demand

Monthly/quarterly reporting of traffic carried, capacity operated/offered, revenue

Detailed Reporting of Costs

Quarterly reporting of expenses by region (e.g., Domestic, Atlantic, Latin, Pacific), by vehicle (e.g., aircraft) type, etc.

Reporting of Average Prices Paid

Quarterly reporting of coupons, itineraries (origin, connecting points, destination) revenue, average fare, etc. by city pair (origin-destination)

Operational Contingency Plans

DOT (14 CFR Part 259) requires airlines to adopt Contingency Plans for Lengthy Tarmac Delays for its scheduled and public charter flights. FAA Modernization and Reform Act of 2012 requires airlines to submit to DOT for review and approval Contingency Plans for Lengthy Tarmac Delays. Airlines are required to coordinate their Contingency Plans for Lengthy Tarmac Delays with (1) all small hub, medium hub, large hub and non-hub U.S. airports served by the airline, and regular U.S. diversion airports; and (2) CBP and TSA such airports.

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In the United States, Airline Marketing and Customer Service Are Subject to a Greater Degree and Scope of Government Regulation than Other Key Service Industries

Airlines

Hotels

Rental Cars

Cruises

Amtrak

Buses

Cable

Telecom

Service Delivery Reporting

No

No

No

No

No

No

No  
Full-Fare Advertising (incl. taxes)

No  
No  
No  
No  
No  
No  
No

Ancillary Revenue Reporting

No  
No  
No  
No  
No  
No  
No

24-Hour Purchase Refundability

No  
No  
No  
No  
No  
No  
No

Detailed Reporting of Demand

No  
No

No  
No  
No  
No

Detailed Reporting of Costs

No  
No  
No  
No

琉  
琉  
Reporting of Average Prices Paid

No  
No  
No  
No  
No

琉  
Operational Contingency Plans

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No

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Comparison of Federal Reporting / Disclosure Requirements Across Modes  
Asymmetry of Information for Consumers, Planners, Regulators and Operators  
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Number of Operations

X  
X

(1)

Seats and Miles Supplied

X  
X

(1)

Passengers and Miles Traveled

X  
X

(1)

Fare Paid

X  
X

(2)

Cancellations/Diversions/Delays

X  
X

(3)

Complaints to U.S. Government

X  
X

(3)

Other

X  
X

(4)

Monthly by route segment

Quarterly by origin-destination airport pair

Monthly by flight and category of causation

Quarterly revenue (by region), expense (by region and aircraft type) and balance sheet data;  
quarterly oversales; monthly freight/mail/animals/mishandled baggage



**From:** spinkerton <SPinkerton@airlines.org>  
**Sent:** Thursday, March 16, 2017 8:12 AM  
**To:** spinkerton <spinkerton@airlines.org>  
**Subject:** Consumers Want ATC Reform

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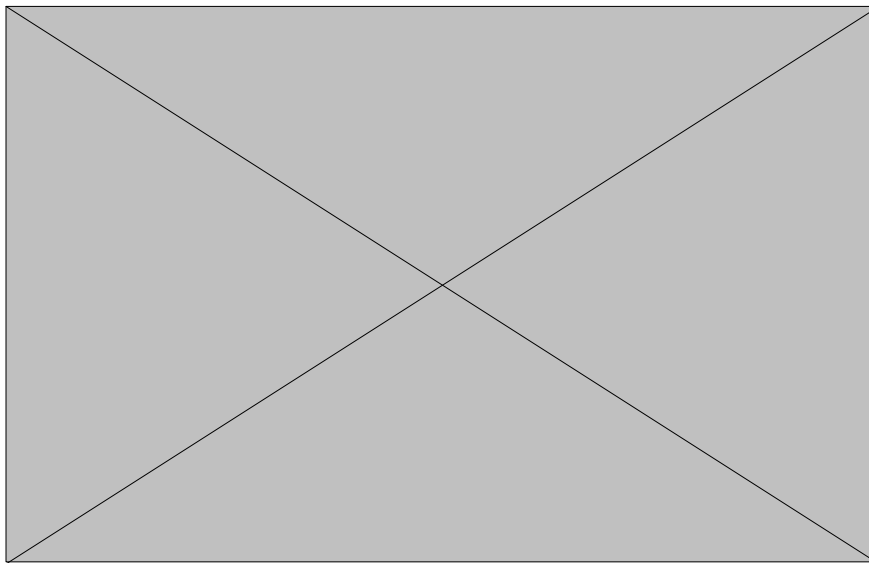
## Air Traffic Control — America's biggest infrastructure project

March 16, 2017 Filed Under: [Travel policy](#) By [Charlie Leocha](#)

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**It is time to let the flying public in on changes needed for our air traffic control system.**

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Our nation's current air traffic control (ATC) system is operating on technology from the 1960s. Aging radars still slowly sweep to determine the location of aircraft. Controllers use scraps of paper to keep track of planes. And, aircraft radios still use old-fashion knobs and dials.

The country is spending far more than necessary for fuel because of the age-old way planes are routed across the country. In some cases, they fly, zig-zagging along corridors that were created when bonfires were lit to let pilots see the next destination on a cross-country journey. Only a few years ago the air traffic controllers were sourcing vacuum tubes from the Czech Republic because no company in the USA manufactured them.

In a recent book, *Pinpoint* by Greg Milner, the author quotes Charlie Trimble, one of the pioneers of Global Positioning System (GPS), “The FAA fulfills its mission by wrapping policies and procedures around obsolete technologies.”

It is time to enter the 21st Century. Enough with the obsolete.

- This giant air traffic control infrastructure project will:
- Save millions of gallons of jet fuel
- Help the environment with dramatic reductions in CO2 emissions
- Save time on every flight through direct routing
- Eliminate in-flight air traffic jams
- Change pilot awareness by showing surrounding aircraft
- Improve efficiency of airports by allowing up to 30 percent more take-offs and landings
- Save millions of dollars in contracting costs through continuous funding.

The new air traffic control system will benefit everyone. The Trump administration’s business approach with proposed long-term funding rather than the FAA’s bureaucratic instincts should help modernize our air traffic control infrastructure. After wasting \$7.5 billion of consumer tax revenues keeping the old radar-and-paper-strip systems working over the past decade, it is time to get the job done properly.

Let’s make technology that the American public takes for granted and holds in its hands, in cell phones and GPS systems, available to our pilots and air traffic controllers. Airlines and the FAA need to begin educating travelers about the tangible benefits to modernizing the ATC system. The USA, once at the forefront of technology, is falling behind other nations when it comes to airspace management.

### **The problem is not money, but focus on getting the job done**

Surprisingly, the problem with the implementation of NextGen, the term the FAA applies to their program to modernize the ATC, is not money. Congress has actually been generous with funding. Plus, this is a bipartisan issue — both Democrats and Republicans have ponied up billions of dollars to upgrade the system.

The drifting FAA bureaucracy, unlike the legendary NASA focus on innovation, is hindered further by a funding system that subjects our air traffic finances to the whims of Congressional bickering and an uncertain budgetary process. No long-term project can be completed without long-term funding.

The Trump administration recognizes the importance of this infrastructure project and the need for a steady, predictable funding stream. This is the kind of project that will have a major impact on the nation's economy, which depends on aviation for everything from just-in-time inventories to travel and tourism.

**It is time to speak to the taxpayers**

The ATC project is the largest national infrastructure project since the development of the Interstate Highway System; its economic impact can be just as, if not more, significant. Travelers United believes that now is the time to allow this proven technology to be deployed to benefit the American public, whether they fly or not.

Sharon L. Pinkerton

SVP Legislative & Regulatory Policy

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**From:** spinkerton <SPinkerton@airlines.org>  
**Sent:** Thursday, February 23, 2017 1:02 PM  
**To:** spinkerton <spinkerton@airlines.org>  
**Subject:** Poole on ATC Reform

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<http://reason.org/news/show/air-traffic-control-newsletter-140>

### Is There Really an ATC Problem to Solve?

Last month Sen. Jim Inhofe (R, OK) was appointed to the Commerce Committee, which has jurisdiction over aviation policy in the Senate. According to *Politico*, when asked about ATC reform, Inhofe said he doesn't think the current system is so bad. "Before you get a solution, there has to be a problem," he said. "I don't want to try to jump in there and just revamp a system that is working pretty well right now." Sen. Inhofe is a GA pilot, and I imagine he gets pretty good service in the mostly uncongested airspace in which he flies. But as this newsletter has been reporting for more than 15 years, our ATC system is beset by numerous problems of governance, funding, and organizational dysfunction. It's the last of these that I'd like to focus on here.

During the presidential transition effort last fall, I obtained a document called "Reforming FAA Acquisitions." It took an outside look at NextGen and FAA's "reformed" Acquisition Management System. Here is one excerpt from this assessment:

"Compounding the problem of fielding NextGen and other major ATC upgrades is an ineffective procurement system known as AMS . . . . Mandated by Congress in the late 1990s, the AMS was designed to give the agency greater flexibility in acquiring products and services so that it could more quickly meet the growing demand for air travel. Unfortunately, the exact opposite happened as FAA tried to build procurement rules from scratch.

"As a result, rather than being able to field its inventory more efficiently and at lower cost, AMS became a bureaucratic quagmire. To award a contract, FAA has codified many lengthy steps—each involving complex procedures and large numbers of federal and vendor employees who must develop customized materials for each step in the process. It is no accident that every modernization program is 'developmental,' and that workable, less-expensive, and commercial off-the-shelf (COTS) solutions do not fit the AMS model. Virtually all [ATC] equipment is now available in the marketplace and could be purchased accordingly. FAA has never accepted a COTS solution, perhaps due to the fact that they would need to reduce the number of acquisition employees. Accordingly, FAA churns out detailed contract specifications that in some cases have thousands of requirements, the majority of which have little to do with evaluating the equipment or services in the tender. Companies spend years and millions of dollars trying to meet these specifications and conducting the endless testing associated with them to successfully deliver a system."

Lest you think that's hyperbole, about a month later I heard—unbidden—from an acquaintance whom I only know via email. He's a systems engineer with more than two decades of experience at FAA. He emailed me after the election, and mentioned that "this place seems dysfunctional in many ways." When I asked for elaboration, his long reply included the following:

"Most of the folks I regard as 'thinkers' believe our acquisition system is broken. There is some move afoot to 'tailor' the process . . . but it's too early to see if that will make a difference. Meanwhile, they continue to define new JRC artifacts that must be developed to get through the process, each artifact coming with a list of reviewers and approvers, any of whom can slow things down by 'adding their value' via additional comments and exit criteria.

"And all this occurs in an organization that is both too broad and too deep, so much of the energy and funding intended to get work done is expended bouncing around in the approval process matrix for years. Each acquisition process stage—Concept & Requirements Definition, Investment Analysis and Requirements Definition, Initial Investment Decision, and Final Investment Decision—can take a year or more. Even though the process is theoretically 'tailorable,' it is difficult to get tailoring approved, because so many entities are able to non-concur. When one's *raison d'être* is the execution of an acquisition hoop, one is loathe to say that hoop is unnecessary."

I've summarized numerous GAO and DOT Inspector General reports over the years, but the auditors who write those reports have learned to write in gentle, tweak-the-process terms. These two experienced observers are making the same points, but in far more direct language.

So yes, Sen. Inhofe, there are major problems with the FAA's Air Traffic Organization as currently constituted. We can do far, far better than this status quo.

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### **Time for Dialog on ATC Reform**

There is an overwhelming case that the funding, governance, and organization culture of the FAA's Air Traffic Organization prevent its talented people from delivering better technology and procedures for users of the National Airspace System. Those users include not only airlines but also general aviation, business aviation, and the military. And other stakeholders include the ATC system's employees and the airports that are an integral part of the NAS.

So I was pleased to see House Aviation Subcommittee chairman Frank LoBiondo tell *Politico* (Feb. 7<sup>th</sup>) that "We are in full listening mode. There have been a huge number of meetings with stakeholders [and] they will continue." While I am not privy to discussions that may have occurred behind closed doors, in coming months I will be making suggestions for a more inclusive stakeholder board for the ATC corporation that that the Air Traffic Organization should be converted to.

Along these lines, last week I read an encouraging piece in *Flying* magazine. The CEO of a transportation logistics software startup in Seattle told the GA magazine that general aviation needs to join the ATC "privatization" discussion. Roei Ganzarski is CEO of BoldIQ. He said that this reform "would lower costs, boost efficiency, and usher in new technologies that are impossible to implement quickly under the current NextGen modernization program." He went on to say: "ATC in this country is antiquated. The president is exactly right; by the time NextGen technologies are implemented, they're already outdated. [Reform] could solve all of this by enabling ATC to advance at the same rate as the technology aboard aircraft has."

*Flying* quotes Ganzarski further as saying, "It's time [for GA] to stop fighting to block privatization and focus instead on ensuring this segment of the industry has a place at the table. For [the reform] to work, we need equal representation from all parties, including the airlines, general aviation, and even the military. No one group should be able to dominate the conversation about the future of ATC modernization."

BoldIQ develops software for both aviation and surface transportation companies. A major customer is Jeppesen, a Boeing subsidiary. Earlier in his career Ganzarski was chief customer officer for Boeing's Flight Services division in Seattle.

In response to NBAA President Ed Bolen's all-out opposition to ATC reform, claiming that any ATC corporation would be controlled by an airline-centric board, Ganzarski says that could only happen if the rest of aviation remains on the sidelines. Instead of saying "hell, no," he argues that a well-structured ATC corporation "could be good for everybody, and that's the conversation we ought to be having right now."

Just this week another stakeholder group, the Air Line Pilots Association (ALPA), issued a policy statement

called "We Keep America Flying." Its section on ATC modernization and reform says that "ALPA believes a different construct for ATC could provide system efficiencies and operations benefits," if implemented in accordance with the following:

- Structured as a not-for-profit entity, funded based on use of the system;
- Long-term funding available for sustained development and continuous modernization;
- A governance structure that includes operators, such as controllers and pilots;
- Agile enough to embrace new technologies in a timely manner;
- With sufficient staffing to maintain safe operations in all of the airspace; and,
- With protection of existing employer/employee relationships.

This statement shows a willingness to engage in dialog on the details, which is very constructive.

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## Comparing ANSP Performance

Until about a decade ago, we had very little information on the relative performance of air navigation service providers in different countries. It was assumed, more or less correctly, that economies of scale exist in air traffic management, so that, *ceteris paribus*, larger systems should have lower unit costs, but there was very little real data. All that has changed in the past decade, thanks to yeoman work by two entities: Eurocontrol's Performance Review Unit and the Civil Air Navigation Services Organization (CANSO). Both entities have issued their latest reports in the past two months.

Eurocontrol's report is "2006-2014 U.S.-Europe Continental Comparison of ANS Cost-Efficiency Trends," November 2016. Overall, it finds that unit costs of providing ATC services are 35% lower in the United States than in the 27 Single European Sky (SES) states. That is hardly surprising given that the SES countries operate 50 en-route centers compared with 23 in the United States while ours handles nearly twice as many IFR flight hours in domestic airspace. The SES countries also employ 14% more controllers to staff that excessive number of facilities. The good news from Europe, though, is that the productivity gap with the United States narrowed considerably during the 2006-2014 period. Back in 2006, SES flight hours per controller operating hour were 104% greater in the United States, but the gap was down to 46% by 2014.

To get a look at how *individual ANSPs* compare, however, we must turn to the latest report from CANSO, "Global Air Navigation Services Report 2016," which covers 2011-2015. This is the 7<sup>th</sup> annual report of its kind from CANSO, and is based on carefully vetted data submitted by three ANSPs in Africa, three in North America, six from Asia/Pacific, 12 from Europe (though excluding Britain, France, and Germany, unfortunately), and one from the Middle East.

Since both the FAA's Air Traffic Organization and Nav Canada report their data to CANSO for this report, we now have objective data to answer the question of whether one is more-productive than the other. As I've reported in this newsletter previously, corporatization opponent Delta and its allies continue to claim that the ATO, as the world's largest ANSP, is the most efficient and therefore has the lowest unit costs. The data show otherwise.

The most important overall number is total cost per IFR flight hour. CANSO reports this separately for domestic ("continental") and oceanic airspace. All cost numbers are expressed in US dollars, at exchange rates in effect at the time of the reporting, and these data are all from 2015. The other key metric is controller productivity, defined as IFR flight hours per on-duty controller hours.

| <u>Metric</u>                   | <u>FAA Air Traffic<br/>Organization</u> | <u>Nav<br/>Canada</u> |
|---------------------------------|---|-----------------------|
| Cost/IFR flight-hr.<br>domestic | \$453                                   | \$335                 |
| Cost/IFR flight-hr.<br>oceanic  | \$ 98.8                                 | \$ 62.9               |
| IFR hours/ATCO hour<br>domestic | 1.04                                    | 1.17                  |
| IFR hours/ATCO hour<br>oceanic  | 5.96                                    | 6.53                  |

There is a great deal more in both of these reports, for those interested in the details. But the numbers above are by far the best available, so all those involved in the debate on ATC reform should take them seriously.

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## About that Survey on ATC "Privatization"

Early this month, a coalition of groups released a survey of 800 registered voters around the country which they said showed 62% of voters oppose "privatizing" the FAA's air traffic control system. The survey was carried out by the Global Strategy Group, a national public affairs and political campaign consulting firm serving corporate and political clients. The survey was basically a repeat of one GSG had run in summer 2015 for the same group of clients: the Alliance of Aviation Across America, the League of Rural Voters, and Air Care Alliance—all of which strongly oppose ATC reform.

The 2017 survey first asked general impressions of five federal agencies: US Postal Service (86% positive), FAA (74%), TSA (58%), FEC (52%), and SEC (50%). Next, respondents were asked how good a job they think FAA does operating the ATC system. Most replied "good" (53%) with another 34% saying excellent. After that, they were asked about privatization in general ("allowing private entities to provide services currently or traditionally performed by government"); just 43% supported and 46% opposed. Finally, they were told the following:

"There is currently a proposal in Congress to privatize the operations of the national air traffic control system by taking it from the FAA and turning it over to a non-profit corporation that would be responsible for all aspects of air traffic control, including management of the air traffic control system, funding, and regulation. Do you support or oppose privatizing the national air traffic control system?"

Did you spot the loaded words aimed at getting the desired 62% negative response?

- "taking it from the FAA"
- "the *national* air traffic control system"
- "*and regulation*"

The last of these is an outright falsehood, since providing for arm's-length safety regulation is one of the key aspects of ATC reform, and has been included in all such proposals over the past three decades.

The Alliance for Aviation Across America appears to be the creation of business-jet group NBAA, whose CEO Ed Bolen serves as president of the Alliance's board. Bolen's claims—that ATC "privatization" means turning the system over to "a self-interested airline-centric board of directors" and would "open the door for countless communities served by general aviation to be left behind"—have created fear, uncertainty,

and doubt among many small-town and rural state elected officials. They have been spreading that fear via letters to members of Congress and newspaper op-eds in many parts of the country. It's quite possible that some of the 800 respondents to the Alliance's survey have been influenced by those false claims.

Be that as it may, air traffic control reform is a complex issue, requiring not only a grasp of the technologies and procedures involved but also of the track record of the FAA as manager of the U.S. system, and the track record of corporatized systems around the world. The average voter knows little or nothing about any of this, any more than he or she knows enough to make a serious assessment of reform of the Federal Elections Commission or the Securities & Exchange Commission. One reason we have representative government, rather than direct democracy, is that most issues of public policy are highly complex, taking far more time and analytic effort than the average voter wants to spend.

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### **Politicized Controller Recruitment: Another Reason for ATC Reform**

In the more than 60 countries where air traffic control is considered a service business, regulated for safety by a government agency, the ANSP itself is in charge of recruiting and training its air traffic controllers. Not so, alas, here in the United States since 2014. That was when the Air Traffic Organization's parent agency (FAA) took control controller recruitment away from the ATO, in a misguided attempt to increase "diversity" in the controller workforce. That move disqualified several thousand graduates of FAA-affiliated colleges and universities who had already passed the controller aptitude test (AT-SAT) but had not been able to enter the FAA Academy for training due to the Academy's nine-month shutdown in 2013 due to the federal budget sequester. Last year Congress intervened to correct some of the damage going forward.

A new audit report from the DOT Inspector General reports how this debacle came about, and some of its consequences. Despite reports by outside experts last decade urging FAA to hire only former military controllers and graduates of the ATC curriculum at Collegiate Training Initiative schools, to increase quality and reduce the amount of coursework needed at the Academy, the FAA's Human Resources branch hired outside diversity consultants who claimed to find potential barriers to hiring women and minorities as controller trainees. This led to transfer of control from the ATO itself to the FAA Human Resources office and the sudden introduction of a new recruitment process in early 2014, in which all applicants had to pass a Biographical Assessment as a screening device, before being allowed to take the aptitude test. Even CTI graduates who had previously passed AT-SAT had to re-apply under the new procedures (and many of them were told that they had flunked the Biographical Assessment).

The I.G. audit documents the consequences of this disruptive change. Once the Academy re-opened in 2014, only 10% of the applicants had progressed to the Academy, with the balance still stuck somewhere in the hiring process. As a result, the Academy had to cancel 34 air traffic basic classes and 614 seats were left unfilled. By October 2015, half the applicants (741) had progressed to the Academy or were placed at an ATC facility for on-the-job training. As a result, FAA failed to meet its hiring goals by 14% in 2014 and by 24% in 2015. These training shortfalls contributed to the controller shortages that controllers' union NATCA has rightly been complaining about.

Because it takes several years after graduating from the Academy for a trainee to either wash out or become certified as fully qualified, the I.G. audit points out that it is too soon to tell if FAA's new hiring process has improved or reduced the success rate of hiring and training controllers. The report also points out that FAA cannot even tell if the new process increased the "diversity" it was aimed at doing. That's because candidates are not required to disclose their race or ethnicity during the application process, and "there was a social media campaign among applicants not to self-identify." In 2015, that was changed to provide multiple opportunities for applicants/trainees to provide that information, and "officials at the Academy are now visually observing newly hired controllers . . . to attempt to properly classify their candidates."

By this point, I imagine readers at non-US ANSPs are shaking their heads in dismay. This whole effort was a disgrace, and is yet another reason to de-politicize the Air Traffic Organization by separating it from the FAA and from the federal budget. Support for reforming the controller hiring process last year was truly



bipartisan. I hope those who went to bat for well-qualified controllers will consider having the United States join the mainstream of countries with de-politicized, self-supporting ANSPs.

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### Mike Levine, RIP

Earlier this month the Renaissance man of U.S. aviation, Michael E. Levine, died at a dismayingly early age. He was perhaps best-known as one of the principal architects of airline deregulation, serving as the right-hand man of Civil Aeronautics Board chairman Alfred Kahn. But his career in aviation was far broader than that.

Mike graduated from Yale Law School and was a law and economics fellow at the University of Chicago Law School. Over his academic career, he held faculty positions at Caltech, Harvard, Yale, USC, and, most recently, NYU. If that were not enough, after his history-making stint at the CAB, Mike joined the airline industry, first as an advisor to Eastern and Continental, next as a Continental executive, and then as CEO of start-up New York Air and later as Executive VP at Northwest.

Dorothy Robyn did an extensive interview with Mike at DePaul University on April 17, 2006. It covers the evolution of his thinking about the economics and politics of aviation, as well as many career highlights, and once I began reading it I could not put it down. It's published in the journal *Issues in Aviation Law and Policy*, Vol. 11, No. 2. For the next 30 days, you can download the interview at no charge from the following [site](#).

A video of the interviews is online [here](#).

My thanks to Prof. Steven Rudolph at DePaul University; anyone who wishes to order bound copies of the interviews or to subscribe to the journal, please email [IALP@depaul.edu](mailto:IALP@depaul.edu).

My first interaction with Mike took place in 1973, while he was holding down teaching positions at both Caltech and USC. He'd given a presentation on airport problems at a Los Angeles forum called Town Hall. Because he'd argued for market pricing of runway access, I asked if we could turn it into an article for *Reason* magazine, and he agreed. His "The Airport Crisis, and How to Solve It," appeared in *Reason's* April 1973 issue.

When I began serious research on the FAA and air traffic control in 1977, I visited Mike at Caltech to get his perspectives. He gave me quite a briefing on FAA and ATC. When I told him that several of my former co-workers had previously worked at ARINC and explained that ARINC had pioneered the introduction of air traffic control five or six years before the federal government took it over, he confirmed that as correct. And he added that after World War II ARINC had helped Cuba and Mexico set up comparable airline-owned nonprofit corporations to provide ATC services, Radio Aeronautica de Cuba (RACSA) and Radio Aeronautica de Mexico (RAMSA), both later nationalized by their governments. He told me about flying to and from Mexico and paying the RAMSA ATC fees.

Many years later I began encountering Mike again on the invitation-only online discussion group Mifnet, where he was revered as the guru of aviation law and economics. In 2007, as I was advising a DOT task force on New York airports congestion, I was also working on a major Reason Foundation policy study on how to apply runway pricing at those airports. Mike agreed to be a reviewer on the draft, and his comments on conditions needed if pricing were to be implemented were so insightful that we published them as a stand-alone policy brief [here](#).

Also in 2007, during my discussions of airport pricing and ATC corporatization with White House domestic policy chief Karl Zinsmeister, the subject of a new FAA Administrator came up. The Bush White House needed a successor to Marian Blakey, whose term had expired, but was very concerned about being able to get any nominee confirmed by the Democratic-majority Senate. I told Karl about Mike Levine, who as far as I knew was a Democrat, and Karl was intrigued by the idea. I pitched Mike about this, and he was cool at first, but eventually agreed to spend a day in Washington talking with various

people, including former Administrator Langhorne Bond and several others, in addition to Karl. I don't know if he ever decided he'd go for it, but the White House decided not to risk losing a confirmation battle, and did not nominate anyone during their remaining year in office.

I often wonder how the FAA might have changed, if Mike had become the Administrator. He had no experience *running* a federal agency, but had been very effective as a change-agent at the CAB. And he'd had no previous experience running an airline, but did very well at New York Air and Northwest. Alas, we will never know. U.S. aviation has lost one of its giants.

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## News Notes

Separating Fact from Fiction re ATC Corporatization. An op-ed in the widely read Washington, DC newspaper, *The Hill*, earlier this month, made numerous false or misleading assertions about the kind of ATC reform that controllers, airlines, and many former FAA and DOT officials support. In response, *The Hill* published my op-ed, "Air Traffic Control Debate Should Focus on Facts, Not False Terms" on February 10, 2017. Go [here](#).

Multiple Airports with a Single Remote Tower Center. Ireland's ANSP, IAA, recently announced completion of operational trials of controlling air traffic at several airports from a single remote tower center. The project involved remote sensing equipment installed at Cork and Shannon airports, a remote tower center in Dublin, and network connections between the two remote airports and the control center in Dublin. In the demonstrations, a single controller managed the low-activity traffic at both airports.

UK Researching Major Airspace Redesign. A coalition of airports, airlines, and U.K. air navigation service provider NATS, called Sky's the Limit, was launched in December to build public and political support for large-scale redesign of U.K. airspace to permit continued aviation growth. In response, the U.K. Department for Transport has launched a series of public consultations on the subject. Without airspace redesign, by 2030 there could be 3,100 days' worth of delays and 8,000 flight cancellations per year, DfT estimates. The consultation will study not only redesign of the airspace but also changes in ATC operations and procedures, and possible compensation for those affected by increased noise from aviation.

Australia Switched to ADS-B This Month. As of Feb. 2, 2017 all aircraft flying IFR in Australia must be equipped with ADS-B/Out equipment. Australia's ANSP last year decommissioned around 180 ground-based navigation aids, including VORs, NDBs, and DMEs. Some 213 nav aids will be kept in service as a Backup Navigation Network. In response to pleas from general aviation, the deadline for noncommercial GA planes to be equipped was extended to Jan. 1, 2020, but those non-equipped planes must fly below 10,000 ft. in non-controlled airspace and may only fly or land in controlled airspace with permission from ATC.

FAA Seeks Land for New York ATC Facility. Last Dec. 16<sup>th</sup>, FAA issued a Request for Information from owners of land parcels of 27 to 35 "contiguous buildable acres" within the State of New York, suitable for building a replacement for the New York TRACON. Information was to be submitted by Jan. 30, 2017, but I have seen no announcement from FAA regarding what information the agency may have received. The original plan from several years ago was for FAA to build the first of a number of new centers that would consolidate a major TRACON with a Center, but budget limitations appear to have terminated that plan.

Iceland Will Improve North Atlantic and Polar Air Routes. The ANSP of Iceland, Isavia, has signed up as a customer of space-based ADS-B provider Aireon to provide greatly improved separation for flights in polar regions. Isavia is responsible for over 5.4 million square kilometers of airspace via the Reykjavik Oceanic Control Area. The Aireon service will permit Isavia to provide real-time surveillance and tracking in the region from 70 degrees north to the North Pole. About one quarter of air traffic across the North Atlantic passes through airspace controlled by Isavia. With Isavia's decisions, all North Atlantic ANSPs (except FAA) have committed to use space-based ADS-B: Ireland's IAA, Isavia, Naviar (Greenland), Nav Canada, and UK NATS.

CANSO Chair Retires. Ed Sims, the current chairman of ANSP trade association CANSO, has announced his resignation effective May 2017. He is also retiring from his position as CEO of Airways New Zealand, the ANSP of that country.

ATC Reform Online Resource. The Eno Center for Transportation maintains a comprehensive online compendium of information about reform of the U.S. ATC system. The information is organized in four main categories: (1) action in the current Congress; (2) analysis of ATC structure and funding from government entities (such as GAO, CRS, and the DOT Inspector General); (3) analysis of ATC structure and funding from non-governmental sources (such as think tanks); and, (4) past legislative efforts on ATC reform. Go here.

» return to top

### Quotable Quotes

"Most aviation experts believe that space-based ADS-B is a game-changer with the potential to transform the air traffic control landscape. The FAA's failure to date to embrace this exciting new capability reflects the agency's dire budget situation and inability to impose user fees. And while budgeting is necessarily about making trade-offs, under the current FAA funding arrangement there is a significant disparity between who would pay for and who would benefit from space-based ADS-B. Federal policymakers need to find a way to overcome that disparity so that it does not result in the loss of an opportunity that is highly net beneficial."

—Dorothy Robyn and Kevin Neels, "Warranted Surveillance: SpaceX Satellite Launch Holds Promise for Air Traffic Control," Brookings Institution, January 17, 2017

"Remember, this isn't a trillion dollars of taxpayer spending. It is how do we leverage private-sector dollars so we can leverage more private-sector spending on infrastructure like pipelines and things like that. . . . We have to overhaul the entire air traffic control system. That's a huge infrastructure piece with airports. That's all part of this."

—Speaker Paul Ryan (R, WI), "Fox & Friends," February 2, 2017

**"NextGen has been fraught with delays and cost overruns and, despite having spent \$7.4 billion over the past 12 years, is still 13 years away from being finished. Up north, meanwhile, the Canadian air traffic control system—which is second busiest after the U.S.—has already deployed truly state-of-the-art technology throughout its system, letting it handle 50% more traffic while trimming its work force by 30%. What's the difference? In 1996 Canada sold its government-run air traffic control to a nonprofit corporation called Nav Canada. User fees pay for its operations and pay for upgrades, and Nav Canada is free of the suffocating bureaucracy and endless budget battles that plague the US. System. The Canadian government's role is limited to regulating Nav Canada for safety. Other industrialized nations have taken similar steps."**

—Editorial, "Here's How Trump Can Make Air Travel Great Again," *Investor's Business Daily*, February 10, 2017

Sharon L. Pinkerton

SVP Legislative & Regulatory Policy

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**From:** Elwell, Daniel (OST) </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=78AA65A7CAF0499C9D425BF9CEE2D986-ELWELL, DAN>  
**Sent:** Thursday, April 27, 2017 4:55 PM  
**To:** Johnson, Sasha <Sasha.Johnson@united.com>; McInerney, Marianne (OST) <marianne.mcinerney@dot.gov>; Pugliese, Anthony (OST) <anthony.Pugliese@dot.gov>  
**Subject:** RE: Statement from United Airlines

---

Sasha – Thanks for keeping us in the loop. You guys have been very responsive and proactive.

Dan Elwell

Advisor to the Secretary

U.S. Department of Transportation

Office: W82-326

Email: [daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)

Cell: (b) (6)

**From:** Johnson, Sasha [mailto:Sasha.Johnson@united.com]  
**Sent:** Thursday, April 27, 2017 3:30 PM  
**To:** McInerney, Marianne (OST); Pugliese, Anthony (OST); Elwell, Daniel (OST)  
**Subject:** Statement from United Airlines  
**Importance:** High

Marianne, Dan and Anthony –

Wanted you to be aware of the statement we just released. Please let me know if you have questions.

Thank you –

Sasha

## **Statement from United Airlines Regarding Resolution with Dr. David Dao**

**CHICAGO, April 27, 2017** – We are pleased to report that United and Dr. Dao have reached an amicable resolution of the unfortunate incident that occurred aboard flight 3411. We look forward to implementing the improvements we have announced, which will put our customers at the center of everything we do.

### **About United**

United Airlines and United Express operate approximately 4,500 flights a day to 337 airports across five continents. In 2016, United and United Express operated more than 1.6 million flights carrying more than 143 million customers. United is proud to have the world's most comprehensive route network, including U.S. mainland hubs in Chicago, Denver, Houston, Los Angeles, New York/Newark, San Francisco and Washington, D.C. United operates 743 mainline aircraft and the airline's United Express partners operate 478 regional aircraft. The airline is a founding member of Star Alliance, which provides service to 190 countries via 28 member airlines. For more information, visit [united.com](http://united.com), follow @United on Twitter or connect on Facebook. The common stock of United's parent, United Continental Holdings, Inc., is traded on the NYSE under the symbol "UAL".

**###**

**Sasha Johnson | Managing Director, Regulatory and Policy | United Airlines**

**202.521.4343 | [sasha.johnson@united.com](mailto:sasha.johnson@united.com)**

**From:** daniel.elwell@dot.gov  
**Sent:** Thursday, April 27, 2017 8:25 AM  
**To:** Johnson, Sasha <Sasha.Johnson@united.com>  
**Subject:** Re: Materials from United

---

Sasha,

Really sorry I had to miss the call. Thanks so much for the info. Looks like you guys have really taken leadership on this. Crossing my fingers for a denied boarding flight. □

Good job,  
Dan

Sent from my iPhone

> On Apr 27, 2017, at 1:14 AM, Johnson, Sasha <Sasha.Johnson@united.com> wrote:  
>  
> Hi Dan –  
>  
> I'm sorry you weren't able to join the call today. I wanted to pass along the just released materials that I sent over to Marianne and Anthony.  
>  
> Please let me know if you have any questions.  
>  
> Thanks –  
> Sasha  
>  
> From: Johnson, Sasha  
> Sent: Thursday, April 27, 2017 1:09 AM  
> To: McInerney, Marianne (OST); Anthony Pugliese (anthony.pugliese@dot.gov)  
> Cc: Morrissey, Steve  
> Subject: Materials from United  
> Importance: High  
>  
> Marianne – Anthony,  
>  
> Thank you both very much for taking the time to talk with us today. As promised I am sending you the just released “Review and Action Report” on Flight 3411 and our press release (also pasted below). You will see a number of stories this evening and television interviews with our CEO Oscar Munoz in the morning.  
>  
> I also want to direct you to our United Hub site which includes the attached materials. We will be continuing to add to this site as well in the days ahead: <https://hub.united.com/>  
>  
> I plan to share this material with Judy, Blane and Norman. I do not have James' email address so if you could send it to him I would appreciate it.  
>  
> Please let me know if you have any questions as you take a look at the material. Also, please feel free to send any of your Administration colleagues my way if they have questions about our report and next steps.  
>  
> Best-

> Sasha Johnson

> United Airlines Announces Changes to Improve Customer Experience

>

> CHICAGO, April 27, 2017 /PRNewswire<<http://www.prnewswire.com/>> -- United Airlines (UAL) today announced 10 substantial changes to how it flies, serves and respects its customers. The changes are the result of United's thorough examination of its policies and procedures, and commitment to take action, in the wake of the forced removal of a customer aboard United Express Flight 3411 on April 9.

>

> United commits to:

>

- > \* Limit use of law enforcement to safety and security issues only.
- > \* Not require customers seated on the plane to give up their seat involuntarily unless safety or security is at risk.
- > \* Increase customer compensation incentives for voluntary denied boarding up to \$10,000.
- > \* Establish a customer solutions team to provide agents with creative solutions such as using nearby airports, other airlines or ground transportations to get customers to their final destination.
- > \* Ensure crews are booked onto a flight at least 60 minutes prior to departure.
- > \* Provide employees with additional annual training.
- > \* Create an automated system for soliciting volunteers to change travel plans.
- > \* Reduce the amount of overbooking.
- > \* Empower employees to resolve customer service issues in the moment.
- > \* Eliminate the red tape on permanently lost bags by adopting a "no questions asked" policy on lost luggage.

>

> While several of these policies are effective immediately, others will be rolled out through the remainder of the year. The facts of what happened aboard Flight 3411 and a full review of United's changes can be found at [hub.united.com<https://hub.united.com/>](https://hub.united.com/).

>

> Oscar Munoz, chief executive officer of United Airlines, said, "Every customer deserves to be treated with the highest levels of service and the deepest sense of dignity and respect. Two weeks ago, we failed to meet that standard and we profoundly apologize. However, actions speak louder than words. Today, we are taking concrete, meaningful action to make things right and ensure nothing like this ever happens again."

>

> "Our review shows that many things went wrong that day, but the headline is clear: our policies got in the way of our values and procedures interfered in doing what's right. This is a turning point for all of us at United and it signals a culture shift toward becoming a better, more customer-focused airline. Our customers should be at the center of everything we do and these changes are just the beginning of how we will earn back their trust," he added.

>

> About United

>

> United Airlines and United Express operate approximately 4,500 flights a day to 337 airports across five continents. In 2016, United and United Express operated more than 1.6 million flights carrying more than 143 million customers. United is proud to have the world's most comprehensive route network, including U.S. mainland hubs in Chicago, Denver, Houston, Los Angeles, New York/Newark, San Francisco and Washington, D.C. United operates 743 mainline aircraft and the airline's United Express partners operate 478 regional aircraft. The airline is a founding member of Star Alliance, which provides service to 190 countries via 28 member airlines. For more information, visit [united.com](http://united.com), follow @United on Twitter or connect on Facebook. The common stock of United's parent, United Continental Holdings, Inc., is traded on the NYSE under the symbol "UAL".

>

> Sasha Johnson | Managing Director, Regulatory and Policy | United Airlines

> 202.521.4343<<mailto:202.521.4343>> | [sasha.johnson@united.com](mailto:sasha.johnson@united.com)<<mailto:sasha.johnson@united.com>>

> <United Flight 3411 Review and Action Report FINAL.pdf>

> <United Airlines Announces Changes Press Release 4.27.17 FINAL.pdf>





A STAR ALLIANCE MEMBER



# United Express Flight 3411 Review and Action Report

April 27, 2017

# Introduction

This is United Airlines' promised review of events from United Express Flight 3411 on April 9, 2017, when a customer flying from Chicago's O'Hare International Airport to Louisville International Airport was forcibly removed from our aircraft. This report outlines what we have already done and what we will do to prevent a terrible event like this from happening again.

We can never apologize enough for what occurred and for our initial response that followed. United Airlines takes full responsibility for what happened. The intention of this report is to communicate concrete and meaningful actions that will avoid putting our customers, employees and partners into impossible situations. Our goal is to reduce incidents of involuntary denial of boarding to as close to zero as possible and become a more customer-focused airline. And this is just the beginning of our commitment to you.

Our entire company is dedicated to making this right, working harder than ever to serve you and live up to our shared purpose and values of making decisions with empathy, respecting every voice and delivering what you expect and deserve.

# Summary of What Happened on United Express Flight 3411

Sunday, April 9, 2017

United Express Flight 3411 is regularly scheduled to fly Sunday through Friday from O'Hare to Louisville, with a planned departure of 5:40 p.m. CDT and an arrival of 8:02 p.m. EDT. Seating capacity is 70 customers.

Before boarding, flight 3411 was overbooked by one customer. Despite early attempts by United, via website/kiosk and multiple announcements at the gate asking for customers willing to take later flights, there were no volunteers. As a result, one customer who had not yet been given a seat assignment, was involuntarily denied boarding (see Involuntary Denied Boarding Selection Process sidebar). The customer received a check as compensation and was booked on another United flight. The other customers were then called to board the plane.

At the same time, an earlier flight to Louisville, originally scheduled to depart O'Hare at 2:55 p.m. CDT was experiencing a maintenance issue (it was unclear if this issue could be fixed, but regardless, it would depart after flight 3411). Booked on this flight were four crew members, scheduled to operate the early Monday morning United Express flight from Louisville to Newark. Without this crew's timely arrival in Louisville, there was the prospect of disrupting more than 100 United customers by canceling at least one flight on Monday and likely more. With this in mind, the four crew members were booked on flight 3411, creating the need to identify four customers who would not be able to take the flight.

## Involuntary Denied Boarding (IDB) Selection Process

United's involuntary denied boarding (IDB) process is automated and customers are not subject to discretionary choice by agents. This is our process:

- **First, agents will deny boarding if a passenger does not have a seat assignment prior to boarding the aircraft.**
- **Customers are then sorted by fare class (estimated fare paid) and type of itinerary.**
- **Customers with the lowest paid fare are placed at the top of the list for involuntary denial of boarding.**
- **If a group of customers paid the same fare, then the group is sorted by time of check-in.**
- **Customers with frequent flyer status will not be involuntarily denied boarding, unless all of the remaining passengers have frequent flyer status, in which case the lowest status will move to the top of the IDB list.**
- **Customers with special needs (unaccompanied minors, passengers with disabilities) are excluded and are not involuntarily denied boarding.**

United agents began to seek four volunteers, this time while customers were seated on the aircraft. The agent offered an \$800 travel credit plus the cost of meals and hotel accommodations for the evening, but no customers were willing to accept the offer. The agent then followed the involuntary denial of boarding selection process to determine which customers would be asked to leave the airplane.

Once the four customers on flight 3411 were identified, the United supervisor spoke with two of the customers, a couple, who then departed the aircraft and received compensation. The next customers approached were Dr. Dao and his wife. The supervisor apologized and explained they would also need to depart the aircraft, but Dr. Dao refused. The supervisor was unable to convince Dr. Dao to depart the aircraft. Given Dr. Dao's unwillingness to deplane, the supervisor left the plane and spoke to the United zone controller, who indicated that authorities would be contacted. The supervisor went back on the plane to request again that Dr. Dao deplane and advised him that authorities would be contacted. At this point, one customer onboard the aircraft volunteered to change flights for \$1,000 but United needed two volunteers in order to avoid having to remove the Daos. No other customers would volunteer unless United could guarantee an arrival in Louisville later that night. Given the fact that the 2:55 p.m. CDT departure remained on a maintenance delay, with a possibility of cancelling, United could not make that commitment.

Officers from the Chicago Department of Aviation, which has authority to respond to such airline requests and historically has been effective in getting customers to voluntarily comply, answered United's request for assistance. These security officers were unable to gain Dr. Dao's cooperation to depart the plane voluntarily.

At this time, the United supervisor left the aircraft and attempted to call a manager about the situation, and Dr. Dao, as evidenced by widely reported video footage, was physically removed from his seat by the Chicago Department of Aviation Officers. After being forcibly removed from the aircraft, Dr. Dao ran back onto the airplane and Chicago Department of Aviation Officers removed him for a second time. He was later taken to a local hospital.

All customers then deplaned. After approximately 40 minutes, the flight re boarded without the Daos and departed for Louisville.

# United Failures Related to United Express Flight 3411

## **1. Calling on law enforcement to assist with policy enforcement when a security or safety issue didn't exist.**

United's policies and procedures in non-safety or security situations did not adequately address instances in which customers refused to comply with requests.

## **2. Rebooking crew at the last minute.**

The crew was booked and arrived at flight 3411 during the boarding process. Our policies did not prohibit this.

## **3. Offering insufficient compensation and not providing transportation/destination options to entice more customers to give up their seats willingly.**

Agents did not have the authority to act independently and authorize higher levels of compensation or provide other modes of transportation and/or the right destination options.

## **4. Providing insufficient employee training and empowerment to handle a situation like this.**

United does not provide regular training to prepare its team for denied boarding situations and individual interactions with customers during these potentially difficult situations.

# Goals of United Policy Changes

With the policy changes it already has made or that are forthcoming, United seeks to:

**Become more customer-focused.**

**Avoid putting our customers, employees, and partners into impossible situations due to policies we control.**

**Reduce incidents of involuntary denial of boarding to as close to zero as possible.**

# United Policy Changes Made or Forthcoming

## **1. United will limit use of law enforcement to safety and security issues only.**

United will not ask law enforcement officers to remove customers from flights unless it is a matter of safety and security. United implemented this policy on April 12.

## **2. United will not require customers already seated on the plane to give up their seat involuntarily unless safety or security is at risk.**

United implemented this policy on April 27.

## **3. United will increase customer compensation incentives for voluntary denied boarding up to \$10,000.**

United's policy will be revised to increase the compensation levels up to \$10,000 for customers willing to volunteer to take a later flight. This will go into effect on April 28.

## **4. United will establish a customer solutions team to provide agents with creative solutions.**

United will create a team to proactively identify and provide gate agents with creative solutions such as using nearby airports, other airlines or ground transportation to get customers and crews to their final destinations. Separately, the team also will work to provide solutions to help get crews to their final destinations. United expects the team to be operational by June. Examples include:

- Suggest flights to close-by airports and then provide transportation to the customer's preferred destination.
- If a customer's travel includes a connecting flight, provide options that would eliminate the connection and still get the customer to the destination.
- Offer ground transportation where practical.

## **5. United will ensure crews are booked onto a flight at least 60 minutes prior to departure.**

Unless there are open seats, all crew members traveling for work on our aircraft must be booked at least 60 minutes before departure. This policy was implemented on April 14.

**6. United will provide agents with additional annual training.**

United will provide annual training for frontline employees to enhance their skills on an ongoing basis that will equip them to handle the most difficult of situations. This training will begin in August.

**7. United will create an automated system for soliciting volunteers to change travel plans.**

Later this year, United will introduce a new automated check-in process, both at the airport and via the United app, that will gauge a customer's interest in giving up his or her seat on overbooked flights in exchange for compensation. If selected, that customer will receive their requested compensation and be booked on a later United flight.

**8. United will reduce its amount of overbooking.**

United has evaluated its overbooking policy. As a result, adjustments have been made to reduce overbookings on flights that historically have experienced lower volunteer rates, particularly flights on smaller aircraft and the last flights of the day to a particular destination.

**9. United will empower employees to resolve customer service issues in the moment.**

Rolling out later this year, United will launch a new "in the moment" app for our employees to handle customer issues. This will enable flight attendants (by July) and gate agents (later this year) to compensate customers proactively (with mileage, credit for future flights or other forms of compensation) when a disservice occurs.

**10. United will eliminate the red tape on lost bags.**

United will adopt a new no-questions-asked policy on permanently lost bags. In these instances, United will pay a customer \$1,500 for the value of the bag and its contents. For claims or reimbursement over \$1,500, additional documentation may be required. This process is expected to be in place in June.



# Conclusion

This has been a defining moment for our United family and it is our responsibility – our mission – to make sure we all learn from this experience. The changes we have announced are designed to better serve our customers and empower our employees. This is how we begin to earn back your trust.

# Appendix

## Background on Denied Boarding

While very rare, denied boarding occurs when more customers have checked in and are at the gate than there are seats on the flight. There are several conditions that may result in this situation, which usually occur prior to boarding, but can take place after the plane has been boarded. We've identified the five causes of denied boarding below.

While United strives to avoid any denied boarding situations, it also seeks to disrupt as few travelers as possible when they occur. Further, whenever possible, it seeks to compensate customers to relinquish their seats voluntarily. If it can provide compensation that a customer considers compelling enough to volunteer, then that customer will remain a satisfied customer. In 2016, 95.6 percent of United's denied boarding customers were volunteers.

United's DOT statistics in 2016 show 3,765 incidents out of 86.8 million United customers, of involuntary denied boarding (representing fewer than 1 in 23,000 customers). The rate of involuntary denials was a 44 percent decline from 2015 and 30 percent below the average among airlines reporting to the DOT (this data reflects mainline flights departing the United States only).

## Causes of denied boarding:

- **Restrictions placed on the capacity of the aircraft:** In some circumstances, the weight of the aircraft and its contents must be reduced for a flight to operate safely. Weather conditions at the departure airport, arrival airport or somewhere along the route of the flight are the most common reasons for a flight to be subject to weight restrictions. When possible, United tries to reduce weight by removing cargo, but in some circumstances the aircraft simply cannot carry a full load of customers and operate within United's safety requirements. The restrictions usually occur close to departure time, as weather is developing, and sometimes even after a flight has boarded. As an example, when winter snowstorms result in a runway with snow at the departure airport, a reduction to the maximum takeoff weight for the aircraft may be required.

Unlike overbooking denials of boarding, which typically impact one or two customers, weight restrictions can require up to dozens of customers to be denied boarding. As the number of customers without seats increases, it becomes increasingly difficult to get enough volunteers. As a result, weight restrictions are much more likely to cause involuntary denial of boarding. This is a no-win situation: Get most of the customers to their destination, but create a difficult situation with the customers who are required to be denied boarding, or cancel the flight entirely. For the customers who get seats

on the aircraft, the outcome is better than cancelling the flight. But for the customers involuntarily denied boarding, the process seems very unfair and arbitrary and leads to some of United's and the industry's worst customer service experiences. As in all involuntary denied boarding situations, the customers are selected based on the criteria described in the Involuntary Denied Boarding Selection Process sidebar.

- **Aircraft downsizing (down-gauging):** This can occur when an aircraft is unable to make it to its intended destination either because of weather or due to a mechanical issue that would prevent it from completing its scheduled flight. United has spare aircraft; however, there are times when the substitute aircraft's number of seats is different from the flight it is intended to replace. Sometimes the only option to avoid a cancellation is to use a smaller aircraft that can accommodate fewer customers. This also can lead to the need to move customers from the cabin they were booked in originally. Like weight restrictions, this is more likely to lead to involuntary denial of boarding because the substituted aircraft may have as many as 40-50 fewer seats.
- **Crew movement:** As in the case of flight 3411, customers can be denied boarding involuntarily if a plane is full and a flight crew, under airline policies, must be allowed to take that flight. This is done to avoid further operational disruptions, which would impact even more customers (such as cancelling a future flight that a crew is scheduled to fly).
- **Overbooking:** Like most airlines, United overbooks flights, typically by less than 0-3 percent of the plane's seat capacity, to account for normal customer no-shows. United's forecast of no-shows is usually quite accurate and approximately four percent of its flights have more ticketed customers seeking to board the aircraft than available seats. The vast majority of denied boardings from overbooking are voluntary – customers agree to take another flight for compensation and incentives, reflecting the low overbooking levels.
- **Situations at the departure gate or on the aircraft resulting in safety or security concerns:** Airlines infrequently must deny boarding involuntarily on a flight when an unexpected situation arises at the departure gate or on a plane before departure. An example could be if a customer becomes unruly or disruptive for any reason and, for safety or security reasons, airline personnel consider it necessary to deny boarding or require the customer to leave the plane.

**From:** daniel.elwell@dot.gov  
**Sent:** Friday, February 3, 2017 9:30 PM  
**To:** spinkerton <spinkerton@airlines.org>  
**Cc:** Fulton, Finch (OST) <Finch.Fulton@dot.gov>  
**Subject:** Re: Happy Friday afternoon!

---

We'll keep an eye on them. Enjoy your weekend and the Super Bowl.

Dan

Sent from my iPhone

On Feb 3, 2017, at 8:59 PM, spinkerton <[spinkerton@airlines.org](mailto:spinkerton@airlines.org)> wrote:

Thanks for the response Dan, appreciate it. We are anxious to know when we'll have a yes or no. Hopefully we'll know something next week, thank you.

Hope you get to enjoy the super bowl! A

Sent from my iPhone

On Feb 3, 2017, at 5:51 PM, Elwell, Daniel (OST) <[daniel.elwell@dot.gov](mailto:daniel.elwell@dot.gov)> wrote:

Hi Sharon,

I checked with Judy and she said the regs were under review in light of the "freeze" memo and that she had informed Dave. We'll know more next week, but OGC isn't going to do anything with them in the near term.

Have a nice weekend.

Dan

Sent from my iPhone

On Feb 3, 2017, at 4:35 PM, spinkerton <[spinkerton@airlines.org](mailto:spinkerton@airlines.org)> wrote:

Finch, Dan -

I wanted to make sure folks at DOT were aware of the attached letter. We've sent it to DOT's acting GC and Blane Workie but haven't heard back. We're essentially asking for a freeze / implementation delay on 5 different regulatory actions. The most important issue is Obama's Consumer Rule 3 that is set to go into effect on February 15. Right now we're in a bit of legal limbo not knowing what the implementation date will be.

We had hoped to hear from DOT by 2/1. If someone could give us a sense of what to expect that would be very helpful. Happy to chat if that helps as well.

Many thanks, I know everyone is inundated, Sharon

PS. Finch – Dan knows me, but I'm introducing myself to you and saying congrats and welcome to DOT! I'll look forward to meeting you.

Sharon L. Pinkerton

SVP Legislative & Regulatory Policy

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<DOT Reg Freeze Letter Jan27 Final.pdf>



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*We Connect the World*

David A. Berg  
Senior Vice President, General  
Counsel & Secretary  
O: (202) 626-4234  
E: dberg@airlines.org

January 27, 2017

Judy Kaleta, Deputy General Counsel  
Blane Workie, Assistant General Counsel  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: Applicability of the January 20 Reince Priebus Memorandum – Regulatory Freeze Pending Review

Dear Judy and Blane,

I am writing to request that the Department announce by February 1 it is extending the effective dates, implementation dates or response dates of several regulatory actions that are covered by the January 20, 2017 memorandum to department heads directing a "Regulatory Freeze Pending Review" (the "Memorandum"). The purpose of the freeze is to ensure that new Department heads or their designees have an opportunity to review and approve any new or pending regulations.

Three items listed below have fast-approaching deadlines -- comments on the proposed rule for mobile phone use (February 13), the implementation of certain provisions of Passenger Protection Rule III (February 15), and responses to the Request for Information on distribution practices (March 31). I therefore would appreciate knowing by February 1 if the Department will extend the implementation and comment dates for these regulatory actions.

The regulatory freeze is not limited to final rules. For purposes of the directive, the term "regulation" is defined to mean "regulatory action" as used in EO 12866 and it is to be broadly construed to include "any substantive action by an agency (normally published in the Federal Register) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking." It also covers "any agency statement of general applicability and future effect" setting forth agency policy on, or interpretation of, a statutory or regulatory issue.

Paragraph 3 of the Memorandum applies to regulations that have been published in the Federal Register but not yet taken effect. It requires that the effective date of such regulations be postponed 60 days from January 20, 2017.

Paragraph 3 must be construed liberally to give effect to the broad purpose and intent of the Memorandum. Clearly, in the case of final rules, the effective date, or implementation date if different than the effective date, should be delayed a minimum of 60 days. In the case of a notice requesting comment

on a proposed action, or requesting the submission of views or information, the Memorandum's directive to postpone the effective date should be applied to the due date for comments or submissions. Specifically, the Department should suspend the comment or response period until the Secretary or her designee has had an opportunity to review and approve (or disapprove) the regulatory action. This approach is consistent with the spirit of the Memorandum and will allow the Secretary time to review such regulatory actions and, importantly, not cause interested parties to waste resources by filing comments, views or information should the Secretary or her designee decide to terminate the regulatory action. If the Secretary or her designee approves the continuation of the regulatory action, a new 60 day comment or response period should be issued.

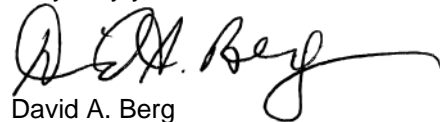
The DOT "regulatory actions" listed below are covered by the Memorandum. Consistent with Paragraph 3 of the Memorandum, the effective date or implementation date of final rules should be delayed at least 60 days, and for other regulatory actions the due date for comments or submissions should be delayed until 60 days after the Secretary has approved their continuation:

1. Final Rule: Enhancing Passenger Protections III, provisions concerning codeshare disclosure requirements and prohibition of undisclosed flight display bias (implementation date February 15, 2017). Docket No. DOT-OST-2014-0056
2. Final Rule: Reporting Data for Mishandled Baggage and Wheelchair Damage (effective date December 2, 2016; implementation date January 1, 2018). Docket No. DOT-RITA-2011-0001
3. Supplemental Notice of Proposed Rulemaking: Transparency of Airline Ancillary Service Fees (comment period closes March 20, 2017). Docket No. DOT-OST-2017-0007
4. Request for Information: Exploring Industry Practices on Distribution and Display of Airline Fare, Schedule, and Availability Information (comment period closes March 31, 2017). Docket No. DOT-OST-2016-0204
5. Notice of Proposed Rulemaking: Use of Mobile Wireless Devices for Voice Calls on Aircraft (comment period closes February 13, 2017). Docket No. DOT-OST-2014-0002

This list is not comprehensive and other pending regulatory actions may be covered by the Memorandum. The Advance Notice of Proposed Rulemaking on refunding baggage fees for delayed checked bags is not listed because paragraph 4 of the Memorandum excludes regulations subject to a statutory deadline. It also appears that the recently published Notice of Proposed Rulemaking to expand the list of drugs tested in transportation programs falls under the Memorandum's safety exception.

Thank you for considering our request. We look forward to your prompt response. Please contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. A. Berg", with a stylized flourish at the end.

David A. Berg



**From:** Elwell, Daniel (OST)  
**Sent:** Thursday, April 27, 2017 8:25 AM  
**To:** Johnson, Sasha  
**Subject:** Re: Materials from United

Sasha,

Really sorry I had to miss the call. Thanks so much for the info. Looks like you guys have really taken leadership on this. Crossing my fingers for a denied boarding flight. 😊

Good job,  
Dan

Sent from my iPhone

> On Apr 27, 2017, at 1:14 AM, Johnson, Sasha <Sasha.Johnson@united.com> wrote:

>

> Hi Dan –

>

> I'm sorry you weren't able to join the call today. I wanted to pass along the just released materials that I sent over to Marianne and Anthony.

>

> Please let me know if you have any questions.

>

> Thanks –

> Sasha

>

> From: Johnson, Sasha

> Sent: Thursday, April 27, 2017 1:09 AM

> To: McInerney, Marianne (OST); Anthony Pugliese

> (anthony.pugliese@dot.gov)

> Cc: Morrissey, Steve

> Subject: Materials from United

> Importance: High

>

> Marianne – Anthony,

>

> Thank you both very much for taking the time to talk with us today. As promised I am sending you the just released "Review and Action Report" on Flight 3411 and our press release (also pasted below). You will see a number of stories this evening and television interviews with our CEO Oscar Munoz in the morning.

>

> I also want to direct you to our United Hub site which includes the

> attached materials. We will be continuing to add to this site as well

> in the days ahead: <https://hub.united.com/>

>

> I plan to share this material with Judy, Blane and Norman. I do not have James' email address so if you could send it to him I would appreciate it.

>

> Please let me know if you have any questions as you take a look at the material. Also, please feel free to send any of your Administration colleagues my way if they have questions about our report and next steps.

>

> Best-

> Sasha Johnson

> United Airlines Announces Changes to Improve Customer Experience

>

> CHICAGO, April 27, 2017 /PRNewswire<<http://www.prnewswire.com/>>/ -- United Airlines (UAL) today announced 10 substantial changes to how it flies, serves and respects its customers. The changes are the result of United's thorough examination of its policies and procedures, and commitment to take action, in the wake of the forced removal of a customer aboard United Express Flight 3411 on April 9.

>

> United commits to:

>

> \* Limit use of law enforcement to safety and security issues only.

> \* Not require customers seated on the plane to give up their seat involuntarily unless safety or security is at risk.

> \* Increase customer compensation incentives for voluntary denied boarding up to \$10,000.

> \* Establish a customer solutions team to provide agents with creative solutions such as using nearby airports, other airlines or ground transportations to get customers to their final destination.

> \* Ensure crews are booked onto a flight at least 60 minutes prior to departure.

> \* Provide employees with additional annual training.

> \* Create an automated system for soliciting volunteers to change travel plans.

> \* Reduce the amount of overbooking.

> \* Empower employees to resolve customer service issues in the moment.

> \* Eliminate the red tape on permanently lost bags by adopting a "no questions asked" policy on lost luggage.

>

> While several of these policies are effective immediately, others will be rolled out through the remainder of the year. The facts of what happened aboard Flight 3411 and a full review of United's changes can be found at [hub.united.com](https://hub.united.com/)<<https://hub.united.com/>>.

>

> Oscar Munoz, chief executive officer of United Airlines, said, "Every customer deserves to be treated with the highest levels of service and the deepest sense of dignity and respect. Two weeks ago, we failed to meet that standard and we profoundly apologize. However, actions speak louder than words. Today, we are taking concrete, meaningful action to make things right and ensure nothing like this ever happens again."

>

> "Our review shows that many things went wrong that day, but the headline is clear: our policies got in the way of our values and procedures interfered in doing what's right. This is a turning point for all of us at United and it signals a culture shift toward becoming a better, more customer-focused airline. Our customers should be at the center of everything we do and these changes are just the beginning of how we will earn back their trust," he added.

>

> About United

>

> United Airlines and United Express operate approximately 4,500 flights a day to 337 airports across five continents. In 2016, United and United Express operated more than 1.6 million flights carrying more than 143 million customers. United is proud to have the world's most comprehensive route network, including U.S. mainland hubs in Chicago, Denver, Houston, Los Angeles, New York/Newark, San Francisco and Washington, D.C. United operates 743 mainline aircraft and the airline's United Express partners operate 478 regional aircraft. The airline is a founding member of Star Alliance, which provides service to 190 countries via 28 member airlines. For more information, visit [united.com](http://united.com), follow @United on Twitter or connect on Facebook. The common stock of United's parent, United Continental Holdings, Inc., is traded on the NYSE under the symbol "UAL".

>

> Sasha Johnson | Managing Director, Regulatory and Policy | United

> Airlines 202.521.4343<mailto:202.521.4343> |  
> sasha.johnson@united.com<mailto:sasha.johnson@united.com>  
> <United Flight 3411 Review and Action Report FINAL.pdf> <United  
> Airlines Announces Changes Press Release 4.27.17 FINAL.pdf>